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NEWS SUMMARY

Stonehouse request denied

Runaway cannot return tomorrow

A Melbourne magistrate hearing extradition proceedings against runaway MP Mr. John Stonehouse yesterday refused to allow him to return to Britain voluntarily this week-end.

Defence counsel had asked that he be allowed to fly back on Sunday of his own accord to face charges of forgery, theft and fraud. But chief stipendiary magistrate Mr. C. J. Thompson said: "I don't have any authority, as I understand, to let your client leave Australia."

He remanded Mr. Stonehouse to appear in court again on June 13. The MP's secretary Mrs. Sheila Buckley, whose extradition is also being sought, was also remanded for a fortnight. Their bail was continued.

Plan for annual Nato summits

Informal NATO Summits may become annual events after agreement in Brussels yesterday to consider a proposal from Canadian Premier Mr. Pierre Trudeau.

The meetings would represent a combination of NATO, the OECD and perhaps the International Energy Agency, according to one source. All three have held Ministerial meetings this week, culminating in the Brussels Summit. Back Page

Communists open fire in Laos

Communist Pathet Lao forces opened fire on thousands of Meo tribemen fleeing South towards Vientiane, the Laos Government reported yesterday. It was the first outbreak of violence during the present Communist takeover of the country.

Firing squad

Uganda's Foreign Minister confirmed yesterday that British lecturer Dennis Hills will face a firing squad if found guilty of sedition by a military tribunal. In London the Foreign Office said it was watching the case closely and was much concerned.

In India, the trial of British schoolteacher May Tyler and 34 other alleged Maoist revolutionaries arrested five years ago has been fixed for Monday. They are charged with sedition, treason and attempting to wage war against India.

Derby doubts

Fears are growing of a repetition at the Epsom Derby meeting of the demonstrations involving stable lads at Newmarket four weeks ago. Miners, dockers and firemen are said to have offered to swell the stable lads' picket lines. Page 13

Sent home

A junior British diplomat is being sent home from Paris after being detained by police on the night of the European Cup final. A British Embassy spokesman gave no reason for the action but yesterday France-Soir carried a front page story which said that an Embassy official had thrown a moped through a shop window after Leeds lost the match.

Unsettled June

June will be generally unsettled with only a few dry sunny spells according to the long range weather forecast. After a cool start, temperatures should rise. Page 15. A special referendum day forecast is planned for Monday.

Briefly . . .

World's fastest miler, Tanzanian Filbert Bayi, arrived in London yesterday to run in the Emsley Carr Mile at Crystal Palace. In Oregon, American distance record holder Steve Prefontaine died in a car crash.

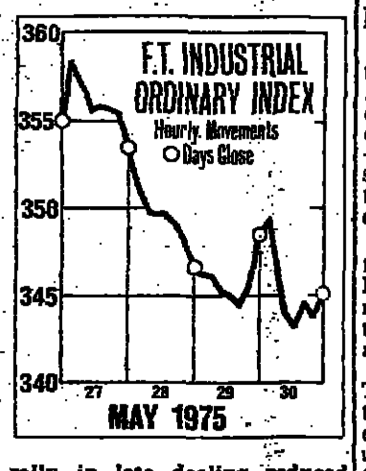
Half a ton of cannabis—worth £500,000 on the black market—was seized from a Kenyan ship by Customs officers at Avonmouth docks, near Bristol.

A blind man who tripped over his guide dog and banged his head has recovered his sight after four years.

BUSINESS

Wall St. up 17: weak tone in equities

● EQUITIES slipped in dull trading as the Account drew to a close, although a technical rally in late dealing reduced earlier losses. The FT 30-share index ended 3.4 lower at 345.1.



● GILTS were mixed in quiet trading, with Shorts making gains while Mediums and most Longs eased. MLR was unchanged at 10 per cent.

● TREASURY BILL rate fell to 9.4459 per cent., from 9.4765.

● STERLING fell five points to $2.3165 but its weighted depreciation narrowed to 24.7 (24.8) per cent. The dollar's narrowed to 6.93 (7.06) per cent.

● GOLD fell 25 cents to $168. U.S. Treasury is to hold a second gold auction of 500,000 ozs on June 30. Page 9

● WALL STREET surged ahead 17.29 raising the index by the close to 832.29 following the rise in the index of economic indicators. Volume was 22.67m. shares.

● LEAD prices again fell in London to £146 a tonne. Page 18

● FRENCH INFLATION rate is quickening according to statistics and has been a major factor in the sudden decline of the franc against the dollar. Page 9

● U.S. UNEMPLOYMENT rate will be higher than expected this year at 8.7 per cent., falling only slightly in 1976 while the Federal budget deficit will be larger, according to President Ford's senior economic advisors. Page 9

U.K. hopes for regional aid

● EEC REGIONAL FUND cash grants, which are seen as a major benefit from U.K. membership of the Community, may start by the end of this year, according to the Regional Affairs Commissioner. Page 9

● AEROSPACE nationalisation will go ahead early this summer, Lord Beswick, Industry Minister, stated yesterday when he visited the Paris Air Show. Page 11

● INDEX-LINKED savings bonds will be on sale to pensioners at Post Offices from Monday when index-linked Save-As-You-Earn bonds will also be issued. Page 13

● HAW PAR BROTHERS International, the Singapore-based trading group which this week announced a link-up with Pernas Securities, has requested Singapore S.E. re-listing. Page 9

● ROWE AND PITMAN, stockbrokers to Coats Patons, which decided to pass its final dividend has asked the company's institutional shareholders to a meeting with the chairman next week.

● CHARTERHOUSE GROUP profits in the six months to March 31 fell to £1.47m. from £3.25m. in the corresponding half year. Page 14 and Lex

CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated.)

RISES

Alpine Soft Drinks	75	+	5
Camelia Invs.	48	+	4
Furness Withy	217	+	4
Martin the Newsagent	139	+	10
OK Bazaars 'A'	840	+	20
Philips' Lamp	840	+	15
Pride & Clark	126	+	6
1st. Bank of Africa	100	+	12
Wheatsheaf	154	+	7
Cons. Tea & Land	155	+	40
BP	490	+	5
Pancontinental	390	+	15
Silvermines	80	+	10
Southern Malayan	168	+	8
Union Cpn.	580	+	15
Vaal Reefs	£32¼	+	1

FALLS

Artagen Prop.	79	−	5
BPB Inds.	93	−	4½
Bell (Arthur)	98	−	7
Courtaulds	134	−	6
EMI	184	−	6
Great Portland Ests.	220	−	8
Hawker Siddeley	278	−	6
Hawthorn Leslie	45	−	6
Inchcape	410	−	12
Johnson-Rich. Tiles	120	−	10
Land. Secs.	188	−	6
Magnet Joinery	148	−	10
Metal Box	290	−	8
Prudential Assur.	xr118	−	8½
Rank Org. 'A'	162	−	6
Sheffield Twist	69	−	7
Sime Darby	101	−	6
Taylor Woodrow	298	−	8
Whitecroft	65	−	8
Shell Transport	318	−	4
Anglo United Dev.	88	−	7
Roan Cons. Mines	345	−	15
West Rand Cons.	420	−	15

(FT stock indices and FT-Actuaries summary Page 17.)

Decision on Tribunal award postponed

NUR will debate call for pay strike on Monday

BY CHRISTIAN TYLER, LABOUR STAFF

Hopes of peace on the railways after a 27.7 per cent. arbitration pay award were left hanging in the balance yesterday when leaders of the National Union of Railwaymen postponed their decision until Monday.

A resolution calling for rejection of the award and a national strike seems likely to be put down—maybe by the union's eight-man negotiating committee—for Monday's meeting following strong opposition to the terms of the award voiced by several executive members yesterday.

But a vote was avoided when the NUR president, Mr. David Bowman, insisted on postponement because four members of the 24-man executive were absent.

Meanwhile, leaders of the Transport Salaried Staffs Association, representing 70,000 white-collar railmen, voted nearly unanimously yesterday to accept the award announced on Thursday.

The third rail union, the Associated Society of Locomotive Engineers and Firemen (ASLEF), will also take its decision on Monday.

After the NUR meeting, Mr. Sidney Weighell, general secretary, said he would not like to guess which way the vote would have gone, nor what difference the presence of the four absent members—three on holiday and one on business in Geneva—would make.

If there was no decisive vote on Monday, the issue would probably go to a specially-convened conference of the NUR's 77 delegates.

He said the president was anxious to avoid a repeat of the on-off voting that occurred before the claim for a pay rise of around 30 per cent. went to the arbitration tribunal.

Two thirds

To call a national strike of its 174,000 members, the NUR executive needs a two-thirds majority. Last time, the vote split 14 in favour of a strike, and nine against, with one absent—two short of the majority required.

"The crucial issue now is, do they allow me to negotiate within the present framework, or are they going to chuck the lot out and say 'that's it'?"

Mr. Weighell added that failure of a strike vote would leave him with no brief to take up the British Rail Board's invitation to negotiate on the award, and the issue would probably go to a conference.

However, if there was a clear majority against a strike, rather than simply lack of a clear majority for, this could open the way to an amending resolution from one of the executive's moderates authorising immediate negotiation with the Board.

Opposition to the award—a substantial advance on British Rail's 21.2 per cent. offer—is based on its failure to match the 30 per cent. rises in other parts of the public sector, the rejection of future cost of living protection, and uncertainty as to the value of a proposed minimum earnings level.

The rail tribunal recommended a 27.5 per cent. increase on basic rates—to include the value of £4.40-a-week threshold money already being paid—establishing a bottom rate of £32.70 a week. To this would be added £4 to bring guaranteed minimum earnings to £36.70.

In terms of "new money" (that is, excluding the threshold) the award was said to be worth 19 per cent., which the tribunal claims compared favourably with "new money" averages of about 17 per cent. in other public sector settlements.

The total cost of the award, which covers 190,000 railwaymen, would be £77.5m. a year compared with BR's £51m. offer.

Last night, 60 railmen in Liverpool agreed to return to work after walking out in protest at a new duty roster, causing the cancellation of 20 inter-city and local services.

Agreement to accept the roster came after five hours of talks involving officials of the NUR.

Man of the week, Back Page

Mrs. Thatcher accuses 'antis' of scare tactics

BY JOHN BOURNE, LOBBY EDITOR

THE TEMPO of the referendum campaign mounted sharply yesterday, with both sides increasing their attacks on each other and adding to their list of claims and counter-claims.

Mrs. Margaret Thatcher, the Conservative leader, summed up the week by saying that the approach of the anti-Marketeers clearly seemed to be that a "scare a day keeps the referendum away."

Her predecessor, Mr. Edward Heath, said last night in Exeter that "the arguments of the anti-Europeans are petty and piddling."

The motives of anti-Marketeers were dismissed by Mr. Harold Lever, Chancellor of the Duchy of Lancaster and financial adviser to the Prime Minister, as "dishonest and irresponsible."

And Sir Geoffrey Howe, QC, the "shadow" Chancellor, said in Oxted that Mr. Peter Shore, the Trade Secretary, "continues to make hysterical allegations. But there is no firm evidence to support his claim that entry into Europe has had an adverse effect on Britain's total balance of trade."

Mr. Shore himself charged the EEC with deliberately acting as a Santa Clause during the campaign by the number of grants and loans it had announced to British nationalised industries.

But Mr. Roy Jenkins, the Home Secretary, dismissed any suggestion that the Commission was trying to bribe the electorate as "Machiavellian and stupid."

But Mr. Anthony Wedgwood Benn, the leading anti-Marketeer, claimed in Acton that the "pendulum of public opinion was swinging towards a No vote." He said that more and more people were realising the jobs that had been lost and the prices that had been raised, "despite personal attacks" (on him).

Mr. Douglas Jay, vice-chairman of the National Referendum Campaign, said in Liverpool that the "popular" version of the Government White Paper on the EEC renegotiations—being distributed to every elector—was riddled with false statements.

And Mr. Bryan Gould, the anti-Market Labour MP for Southampton Test, accused the Whitehall referendum information unit of giving misleading answers on Britain's sovereignty within the Market.

"In the written answers it is providing to questions, the unit is failing in its duty to give purely factual information and is taking a partisan approach to a highly contentious issue," he said.

Anti-Market speakers continued to develop their arguments yesterday. Mr. Michael Meacher, Parliamentary Under-Secretary at the Department of Industry, maintained that tens of thousands of British jobs, especially in high unemployment areas, would be put at risk if the EEC was given access to the North Sea oil supply market.

The Treaty of Rome clearly prevents any attempts by the British Government, he said, to control who builds plant and equipment for British North Sea oil and gas operations.

But whatever the British people have thought of the campaign so far—and there are signs of increased attendances at meetings and a quickening interest in the referendum—they are to be exposed to a much heavier barrage from both sides in the days leading up to Thursday's poll.

On Monday alone, Independent TV is broadcasting an Anthony Wedgwood Benn-Edward Heath confrontation at lunchtime, and a two-hour debate in the evening. The cast for the second is almost on a Cecil B. de Mille scale: Mr. Roy Jenkins, Mr. Peter Shore, Mr. Reginald Maudling, Mr. Enoch Powell, Mr. John Davies, Mr. Neil Marten and Mr. David Steel, among others.

Not to be left behind, BBC Panorama is that night staging perhaps the most intriguing contest of all. This is a programme containing both Mr. Jenkins and the man he has described as no longer fit to be taken seriously as an economics Minister—Mr. Wedgwood Benn.

On Monday Mrs. Thatcher is appearing on TV and the Prime Minister will do so the following night, when there is also to be a broadcast of a Jeremy Thorpe - Heath - Shore - Barbara Castle debate from the Oxford Union.

During the past week, the anti-Marketeers have on most occasions taken the initiative. But on at least one issue—unemployment—Mr. Benn's arguments have been rebutted by

Continued on Back Page

In or out?

Two leading figures on opposite sides in the referendum debate, Mr. Roy Jenkins and Mr. Douglas Jay, put the cases for and against continued EEC membership on page 13

Sovereignty's other face, Page 12
Regional Fund grants by end of this year, Page 9
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Arthur Bell issues 30-year debenture with 16¼% coupon

BY DAVID WRIGHT

AS PART of a dual funding package to raise £6.3m., Arthur Bell and Sons, the Scotch whisky concern, is issuing a record 16¼ per cent. coupon on a 30-year debenture stock.

Some £3.5m. of the debenture stock, dated 2000/05, has been placed privately with a few institutions at £98½ per cent., without a stock exchange quotation. At the placing level, the redemption yield is about 16½ per cent. Recently a 10¾ per cent. Midland Bank stock was placed to yield 16.7 per cent., but this was unsecured and is now standing at four points above the initial issue price, thereby reducing the yield.

It has been more than two years since the last debenture issue, and it was this lack of any guideline as to the strength of the market that prompted the issuing bankers, Morgan Grenfell, to opt for a private placing. The market itself tends to feel that the stock could have yielded about 75p per cent. less if it was a public placing, but gilts have firmed up slightly since the terms were fixed a week ago.

The remainder of the funds to be raised are made up by a rights issue of 2,305,630 Ordinary 50p shares on the basis of one for five at 85p a share. The trustees of the Ganochy Trust, which owns some 45 per cent. of the equity, intend to take up its entitlement of 1,028,332 shares. The balance has been underwritten.

The substantial increase in the cost of laying down whisky stocks has stretched working capital requirements. The position has been further aggravated by both the modernisation programme at the recently acquired subsidiary, Canning Town Glass Works, and the duty increases in the last Budget. The proceeds of these issues will be used to ease the current financial problems.

Sales volume of the company's brands of Scotch whisky for the first five months of 1975 is higher than for the same period of the previous year, but it has yet to be seen what effect the recent duty increases will have on the market.

Dealings in the new shares will start on June 12, 1975. Brokers are W. Greenwell and Co. and Bell Lawrie Macgregor and Co.

Lex, Back Page

£ in New York

—	May 30	Previous
Spot	$2.3186-3105	$2.3156-3165
1 month	0.91-0.86 dis	0.97-0.92 dis
3 months	2.97-2.92 dis.	2.95-2.90 dis
12 months	11.60-11.50 dis	11.70-11.56 dis

British Airways Europe shutdown

BY OUR LABOUR STAFF

A STRIKE by ground engineers has forced British Airways to cancel all its European and domestic flights out of Heathrow Airport after the week-end.

The announcement came yesterday after the 700 strikers voted to continue their action until a mass meeting on Wednesday, and after the second day of disruption to BA's European services.

An emergency meeting of management and union officials on the civil air transport council has been called for to-morrow, but is unlikely to resolve the dispute in time to prevent the shut-down.

The strike which is over a claim for extra money for servicing TriStars, does not have official union backing and attempts at conciliation by the independent Advisory Conciliation and Arbitration Service appear to have been abandoned.

Yesterday's decision by the airline, which will clearly bring the dispute to a head as other BA workers are laid off, came as Mr. Henry Marking, managing director, warned that redundancies could follow if unions delayed putting a voluntary redeployment scheme into effect.

Vital jobs

In a statement to the airline's staff newspaper, he said names of "surplus" staff willing to be redeployed must be put forward by next Friday, or 290 vital jobs still unfilled might have to be advertised outside.

This warning and the escalation of the Heathrow dispute both point to a tense industrial relations situation within the loss-making airline.

Meanwhile, ferry services between Britain and France returned to normal yesterday as hopes rose for a peaceful settlement of the dispute over the German boat Mary Poppins which had caused serious disruptions on Wednesday and Thursday.

A few hours after French dockers and seamen had ended their 48-hour protest strike, a spokesman for the company in Southampton said that a meeting with the local unions had been arranged for Monday to discuss a compromise formula that might allow the Mary Poppins to transport the 20,000 passengers who had booked for this summer. With five trips a week, this would take until October.

The compromise formula was reportedly submitted by Southampton trade union officials. The contents of the plan were not released, and the company said the details would still have to be hammered out on Monday.

Plans to cut 67,000 jobs

New York's crisis budget under attack

BY JAY PALMER NEW YORK, May 30.

MAYOR ABRAHAM Beame's "crisis" proposals to eliminate New York City's $641m. 1975-76 budget deficit, presented in detail last night to City Council leaders, have evoked swift criticisms this morning.

State legislators called the mayor's proposals "unworthy and preposterous" and accused him of trying to "mislead and scare the people." Wall Street bankers denied the mayor's emotional charges that their "punishing indifference" and "whispering campaign" had contributed to the city's financial plight.

At the same time, leaders of the city's municipal unions warned of disaster if the mayor puts into effect his planned 67,000 cutback in jobs.

The head of the firemen's union said that "more people will die," while the sanitation union leader predicted a city "covered by oceans of garbage."

In his televised speech last night, Mayor Beame effectively presented two alternative city budgets for the new fiscal year. The first, a $12.7m. "austerity" budget, was based on the assumption that the city will receive all of its requested State aid and new tax revenues.

The second, "crisis," budget of $11.9m. spelt out the economies and job layoffs that would be necessary if such aid was not forthcoming. While the austerity budget would, in any case, have required some 30,000 city jobs to be eliminated by normal wastage and layoffs, the crisis measures would bring the cutbacks up to over 67,000 jobs.

The mayor said his extreme measures would eliminate school programmes, increase class sizes and cut police street patrols. The fire department would take longer to answer emergencies, while there would be fewer garbage collections. Labour leaders, opposing the drastic measures, this morning proposed that the lay-off priorities be put to a city referendum.

While the city braced itself last night for details of the mayor's measures, eleventh-hour aid from the State postponed a threatened default by the city to-day on its debts. However, the aid, a $200m. advance on 1976 welfare revenues, merely postpones the city's immediate cash flow problems.

By June 6, the city's cash on hand is expected to be some $83m. short of what will be needed to pay immediate salaries and redeem maturing short-term debt. Five days later, on June 11, when the city must pay $792m. to mature debt, the shortfall will total nearly $1bn.

However, some hope exists that a solution to the city's cash flow problem may have been found by State Governor Hugh Carey's "blue-ribbon" advisory committee.

In exchange for City Hall giving up some financial powers, the panel suggests that a new state agency be created to buy up the city's short-term $6bn debt (of which $3bn. matures this summer) and convert the lending into long-term bonds.

The initial reaction from the city was, however, that such an abrogation of power could not be tolerated.

In his budget speech, Mayor Beame warned that his proposed job cuts "were not threats—but a part of New York City's budget." Describing the cuts, the mayor blamed Wall Street, the City's commercial banks, the Federal Government and the New York State Legislature for the city's "precarious financial position."

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For latest Share Index 'phone 01-246 8026

The week in London and New York

The account closes in low key

The past four days have wiped out three-quarters of last week's gains in equities; the Industrial (30-Share) index managed a brief rally on Thursday but all the broader based indices eased back on that day and falls among FT -quoted stocks had been running 2 to 1 against rises for 48 hours. Thus the renewed declines by the 30-Share index yesterday—the final day of the account—was not totally unexpected, and on the week the market is 9.9 points lower at 345.1, against the ten-day-old peak of 355.9.

Generally, though, it has been another sluggish week with dealing volume low, especially following the Bank holiday. And even the gold bullion price has fallen back sharply from $173 to around $167. The latest wage award in the public sector (to the rail workers) has not allowed inflation fears to slip out of the headlines, while this week's stream of company results can only be seen as discouraging. Courtaulds' second half highlighted the problems the textile sector faces this year (see later story), BP's 1975 first quarter was duly flat and Bass thwarted the recent strength of the brewery sector. Its 1974-75 results fell noticeably short of expectations and the shares fell 7p to 99p this week.

TOP PERFORMING SECTORS IN FOUR WEEKS FROM MAY 1

	% Rise
Oils	+12.7
Chemicals	+11.7
Insurance (Brokers)	+ 8.6
Discount Houses	+ 8.4
Machine and Other Tools	+ 8.2
Textiles	+ 7.7
All-Share Index	+ 3.3

THE WORST PERFORMERS

	% Fall
Stores	− 1.0
Insurance (Life)	− 1.9
Motors and Distributors	− 2.9
Merchant Banks	− 5.6
Property	−11.5
Hire Purchase	−29.8

Gilt rally fades

Earlier on gilts showed signs of breaking out of their torpor of the past month or so. The long dated maturities moved up sharply on Wednesday and encouraged the Government broker to reactivate the official long tap—at seven points below its mid-March issue price of £97½ per cent. This immediately stopped the upsurge in its tracks, and on the week our gilts index is only marginally higher. Yet in general sentiment could once again be moving in favour of the sector. After all, the countdown to next week's Referendum is now well under way, and gilts are tentatively latching on to the idea that some early (if not exactly decisive) Government action to curb inflation could be in train.

Sterling has continued to hold steady and short-term interest rates have been moving lower in the U.S. as well as in Europe. Since early May long-term U.S. Government bond yields have dropped an eighth to under 6 per cent. At home the three months inter-bank rate has eased marginally and yesterday MLR was unchanged at 10 per cent. However, the balance for the gilt market remains the Government massive borrowing requirements.

Rowntree and Thorn play it cool

If nothing else Rowntree Mackintosh's announcement this week that it had increased its holding in Associated Biscuits from 16 per cent. to nearly 21 per cent. will satisfy the market that Rowntree has no short-term plans to sell its investment. Since August 1973 when Rowntree sold its 10.6 per cent. stake in Northern Foods—following Rowntree's substantial losses in the London cocoa market—there has been speculation that the Associated Biscuits investment would suffer a similar fate.

When Rowntree disclosed its original holding in AB it was generally thought that Rowntree was looking to AB to resolve the future of its least successful division, groceries, where biscuits were a major profit contributor, but once again Rowntree has endorsed that the investment is not a platform for an outright bid. The intention is to establish trading links. What these trading links are, is not altogether clear. Moreover, AB is apparently still in the dark as to Rowntree's trading intentions—nearly 2½ years since the original interest was disclosed.

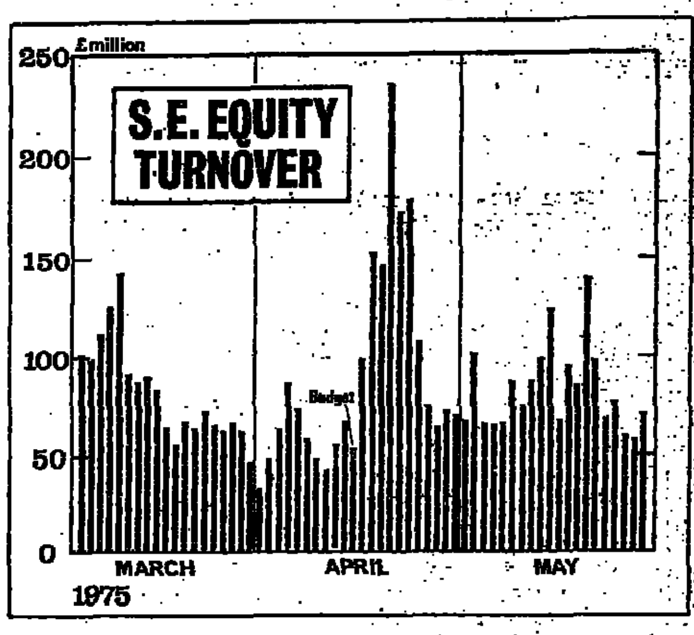
Another piece of strategy this week concerned Thorn Electrical's intervention in the proposed link between SKF of Sweden and Sheffield Twist Drill. SKF is putting up an agreed £10½m. in cash for Sheffield Twist and if the offer is "allowed to proceed by the appropriate Government authorities" Thorn intends to make a counter bid. At this stage the Thorn approach is oddly vague but the SKF offer closes on June 12, so a more positive declaration of intent should come out into the open soon enough. Meantime, the relevant sums reflect the modesty of the affair in financial terms. Thorn produced profits of £74m. pre-tax in 1973-74 against a 1974 outturn of £1.8m. from Sheffield Twist; while to match the SKF bid in paper Thorn would have to add just 6 per cent. to its equity. Sheffield Twist and the Thorn cutting tool interests (Clarkson) combined would return profits of about £4m. pre-tax.

Textile cycle still plunging

The textile sector had one or two surprises in store for the market this week. Both Coats Patons, with pre-tax profits only £6.8m. off at £47.3m. after warnings of a "marked decline" at the interim stage, and Courtaulds, whose pre-tax profits rose from £116.3m. to £125.7m., produced better than anticipated results. But, in contrast to a maximum allowable dividend from Courtaulds, Coats Paton chose, in a controversial move to conserve cash, to pass its final and offer a 1-for-25 scrip issue instead (see the Lex Column for further discussion).

Coats' results reflect the resilience of thread demand and it is worth noting that the overall decline in profits stemmed completely from the group's non-thread activities in North America and Australia, where the textile recession has been deepest. In the current year, the group will be processing fairly expensive raw materials but the effects on both margins and working capital requirements will be limited by the relative price stability of long staple cotton. Outside estimates for profits in 1975-76 are in the £35-40m. pre-tax range.

Courtaulds makes no bones about being in the middle of a textile recession. Support to profits last year came from long term export contracts, mainly for the Middle East, China and E. Europe, and the calendar year-ends of the group's overseas and U.K. garment companies. This year interim pre-tax profits could easily halve. Coats share price continued to slide on Friday to finish 11p lower on the week at 46½p; Courtaulds lost its early momentum to end the week 4p higher at 134p.



Profits from Ford of Britain

Thursday was another bad day for Britain's motor industry with Ford of Britain publishing its accounts for 1974. But unlike British Leyland and practically every other car maker in Europe, Ford is still able to come up with a profit, albeit miniscule. Against a best ever £31.8m. a year earlier, Ford made just £2.4m. after tax in 1974. In the six months to March 1975, British Leyland lost £42.9m. after a tax credit, though there were also net provisions of £29m. against the group's operations in Spain.

Predictably, there are also some startling contrasts between the two companies' balance sheets. Ford emerged from 1974 with net borrowings up from £90m. to £210m. compared with shareholders' funds of £214m.; British Leyland's book net worth was down to about £217m. in March while a £10m. jump to £18m. in the six months interest charge confirmed that group borrowings were running ahead of £300m. Against depreciation and retentions of £36.5m., Ford's capital spend last year totalled £48m. net of disposals: but year-end commitments were more than a quarter lower. On an inflations adjusted (CPP) basis Ford's 1974 results show a near £43m. turnround into the red with losses extending to around £17m. after tax.

Onlooker

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1975 High	1975 Low	
F.T. Ind. Ord. Index	345.1	− 9.9	335.9	146.0	Caution ahead of referendum
Treasury 12¾% 1195	£88¾	+ ¾	£102	£75	Yield attractions
Bass	99	− 7	108	47	Disappointing interim results
British Petroleum	490	− 7	108	47	First-Qtr. figures
Coats Patons	46½	−11	58	23½	Passing of final dividend
Courtaulds	134	+ 4	140	53	Results above market estimates
EMI	184	− 13	200	62	Profit-taking
Ellis and Everard	130	+20	152	64	Bid speculation
Gt. Boulder	84	+35	85	36	Wesern Mining bid approach
Lion International	34	+ 4	42	21	Increased J. H. Vavasseur stake
Lucas Inds.	114	−12	138	37	Troubled car industry
MEPC	150	−11	231	64	Fears of poor int. results
Marley	76	−11	92	30	Disappointing interim report
Minorco	290	+38	300	184	Persistent Cape demand
Reed Intl.	263	−13	297	124	Poor fourth-quarter figures
Revertex	66	− 8	74	29	Chairman's statement
Shell Transport	318	−15	341	118	After recent strength
Transparent Paper	44½	−10½	56	24½	Poor final quarter trading
UDT	21	− 3	35	11	Preference dividend deferred
United Scientific	46	+ 7½	47	14½	Interim results next Tuesday

Economic hopes

BY JAY PALMER

NEW YORK, May 30.

WITH MANY leading and respected economists convinced that the long-awaited end to the U.S. recession is now imminent, the market is beginning to follow suit. But worries stemming from New York City's fiscal crisis and President Ford's higher oil tariff have accentuated the growing concern that be neither so strong nor so immediate as originally anticipated.

With the clear exception of to-day, when the Dow Jones Industrial Average shot up 17.29 to 832.29; Wall Street has steadily moved lower throughout most of this holiday shortened week. However, the mild nature of this slide effectively precludes any premature and drastic assumptions that the now six-month-old bull market has definitely ended.

One factor strongly contributing to Wall Street's gloom was the comments made over last week by Federal Reserve Board Chairman Arthur Burns that any additional economic stimulus was not wide. Responding to earlier critical forecasts of the slowing recovery, Dr. Burns urged Congress "to sit back awhile" predicting that any further increases in money supply would increase the chances of a new wave of inflation.

The big worry is, of course, that this market has already fully discounted the earlier prospects of a sudden sharp recovery this autumn. With more and more evidence suggesting a more gradual turnround (although that evidence is still far from conclusive), the market could well prove highly vulnerable to a major setback.

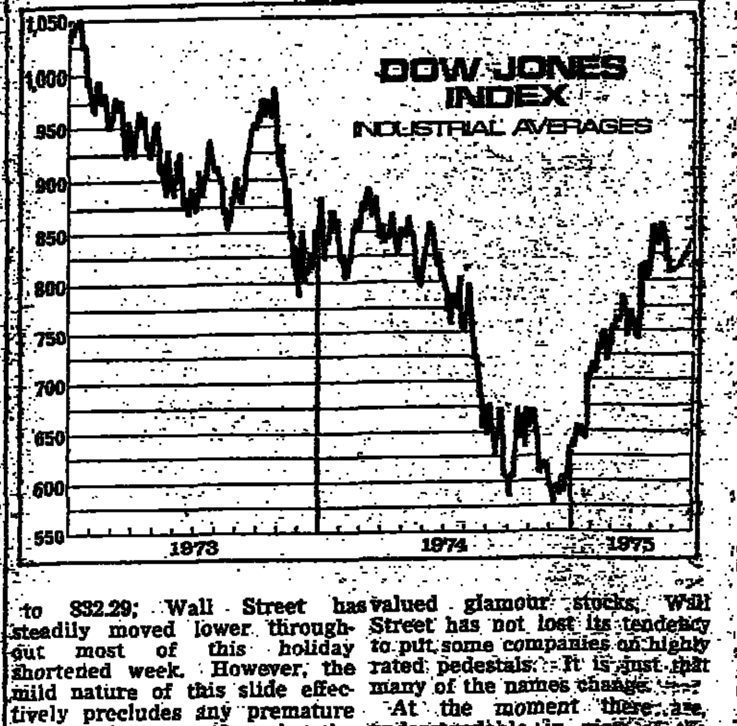
For all the concern hopeful signs are still evident. Once-huge business stock levels have now been sharply cut while machine tool orders and such other key indicatory as residential housing contract awards are really very buoyant.

Yesterday, the market in its gloomy state failed to react to (possibly because it did not understand) the latest optimistic indicators from Washington. To-day's initial rally seems to indicate second thoughts on the good news that leading economic indicators rose a record 4.2 per cent. in April.

Despite the extent of the 1973-1974 bear market and the re-assessment of the once highly valued glamour stocks, Wall Street has not lost its tendency to put some companies on highly rated pedestals. It is just that many of the names change.

At the moment there are, understandable in view of the rally, quite a few companies with price-earnings ratios in excess of 25. Some of the companies are the old "vestal virgins"—the Wall Street darlings of the old bull market—including Avon Products, Coca-Cola, Walt Disney, Eastman Kodak, McDonalds, J. C. Penney and Polaroid.

But there are also new additions to the list of favourites. For the most part these fall into certain industry categories including health-care (Amer Hospital and Johnson and Johnson), consumer disposables (Amer Home and Rubbermaid) and electronics (Schlumberger and AMP). It is a good deal more rational list than the old one with virtually all of the new additions companies from companies with secure futures despite current uncertainties.



DOW JONES INDUSTRIALS

Day	Change	Close
Monday—closed for holiday		
Tuesday	− 5.79	826.11
Wednesday	− 9.07	817.04
Thursday	− 2.04	815.00
Friday	+17.29	832.29

MINES IN THE NEWS

Of tin and other things

BY KENNETH MARSTON

THERE has been a good deal more talking than business in the Mining share markets this week and of the various talking points those attaching to **London Tin Corporation** are quite intriguing. They arise out of the news that the Singapore-based **Haw Par Brothers International** is to do a £25m. share deal with the Malaysian Government.

An issue of Haw Par shares to the Government-controlled Pernas Securities will give the latter a 40 per cent. stake in Haw Par which, in return, will receive three large shareholdings from Pernas. One of these holdings is a block of some 20 per cent. of London Tin which will raise Haw Par's stake in the corporation to just over 50 per cent.

Who goes east?

Clearly, two further developments that would benefit the other holders of London Tin would be an outright bid on favourable terms for the whole capital, or a change of the corporation's domicile to the Far East: the latter move would result in the U.K. share price being boosted by the addition of the investment dollar premium and it would also release the group from our dividend limitation rules.

Haw Par, however, has said that it will neither bid for the rest of London Tin nor seek to change the corporation's domicile. What is awaited is the reaction of the City Take-over Panel which normally requires a company which has obtained 30 per cent. or more of another company to bid for the rest.

But while we mull over these developments affecting London Tin it is worth bearing in mind that the corporation has no mining operations of its own, but it draws revenue from investments in a string of tin mining companies. Some of the latter are U.K.-registered and they include **Malayan Tin**, in which London Tin has a stake of 39.2 per cent., **Southern Kinta** (31.8 per cent.), **Kamunting** (24.1 per cent.) and **Southern Malayan** (11.4 per cent.).

And Haw Par has said that it intends to "explore ways and means of transferring the mining operations to Malaysia." Just how this can be done remains to be seen, but other shareholders of these operating companies, might find it worthwhile to wait and see.

As for London Tin itself, the share price has been bolstered by bid hopes and looks to be on the high side now. But from a longer-term point of view, the corporation is in a stronger position than before in having the Malaysian Government as a major, albeit indirect shareholder. And notably close and affectionate ties still exist between that country and the U.K.

No gold rush

Turning to Gold shares we have had a disappointing performance in the bullion price this week, it having fallen back again to below the $170 per ounce level. The effect of this on shares has been muted by the continuing strength of the dollar premium but, as I pointed out last week, the bullion price is more important in the final analysis than the dollar premium.

The continued rise in gold mining costs has been given a further push by the latest—and justified—rise in black workers wages which will become effective from to-morrow. It could mean an average increase of around 5 per cent. in the industry's working costs. At the same time the white miners have become restive about the lack of progress being made regarding their demand for a five-day working week.

Admittedly, these wage increases coupled with the shortage of black labour should have a beneficial effect on mine efficiency in the long run. But they still cost money and that must come from a rising bullion price. Meanwhile, fingers will be crossed for the June dividend season; the payments of the Anglo American group mines are due on June 12.

UM's big U.S. deal

More news has come along from Belgium's Union Miniere, in which Tanganyika Concessions has a 17.6 per cent. holding. Basically, UM is still drawing the major part of its revenue from copper, interest and investments. So far, the company has received 71 per cent. of the total B.Frs.4bn. (£49m.) compensation for its copper assets in Zaire and it is embarking on a new career as a world mining finance house.

One of the steps taken has been the establishment of the Thierry copper mine in Canada which we were talking about last week. But this week we have had news of a really big new venture. It takes the form of a $190m. (£81.7m.) U.S. zinc venture in Tennessee in partnership with the Gulf and Western Industries' subsidiary, **New Jersey Zinc**.

UM is to purchase a 40 per cent. stake in NJZ's new Elmwood zinc mine and other properties. The partners propose to open three more zinc mines there and to erect a slab zinc refinery with a total capacity of 90,000 tons of electrolytic zinc a year. The whole project is expected to be completed by mid-1979 when, it is hoped, zinc will be again in high demand.

RCM copper loss

The price of copper has sagged this week, although market observers still expect it to stage a recovery before the end of the year. But, as I have pointed out before, starry-eyed buyers of copper mining shares must be prepared to stomach some poor company results in the meantime.

The latest example of this has come from Zambia's Government-controlled **Roan Consolidated Mines**. The March quarter report confirms fears that the group's costs of production have now exceeded the revenue from copper sales. As a result RCM has made an operating loss on copper sales of K1.47m. (£0.98m.) during the period.

RCM received an average price for its copper of K827 (£565) per tonne last quarter and yesterday's London price was £528. RCM has paid only one dividend (21.5 ngwee) for its current year to June 30, having now omitted the second and the third quarter payments.

Nickel scene Down-Under

THE HIGH investment dollar premium is, of course, an uplifting factor in the case of Australian mining share prices. But there has also been a stirring of investment interest again in this market and several issues are now at, or close to, their highs for the year.

It may well be that the base-metal producers down-under are scenting better times ahead, but there are still political hurdles to be overcome. The hurdle facing **Metals Exploration** is the simple old-fashioned one of money shortage.

The big Greenvale lateritic nickel venture in Queensland, which is due to reach full production next year, has over-run its $264m. (£150m.) costs and Metals Ex., which is partnered here by America's **Freeport Minerals**, is looking for $8m. to meet its share of the extra costs.

So far, the company has approached the Australian Industry Development Corporation without success and has said that unless the money can be found Greenvale will have to close. It is hoped, however, that Metals Ex. will be bailed-out by Government sources in the last resort.

At the same time the giant **International Nickel** is reported to have started what are expected to be tough negotiations over a new three-year wage contract in Canada. This could lead to either a labour stoppage there or a subsequent sharp increase in the world producer nickel price, the latter possibility being one which could help Australia's struggling Greenvale.

On a more cheerful note, shares of Great Boulder have been given a boost by the news that **Western Mining** has made an approach to acquire the rest of Great Boulder's capital, it already having 43.4 per cent. Also coming into the picture of the two Australian, predominantly nickel, companies is **Loloma** which holds just over 10 per cent. of Great Boulder.

TV Radio

† Indicates programme in black and white.

BBC 1

9.05 a.m. Barnaby. 9.15 Lassie's Rescue Rangers. 9.35 Why Don't You? 10.00 "Western Union," starring Randolph Scott. 11.35 The Virginian. 12.45 p.m. Camp Runamuck. 1.10 Weatherman. 1.15 Grandstand: 1.20 Speedway; 1.35 Ice Hockey; 1.50, 2.20, 2.50, 3.20 Racing from Kempton Park; 2.05 Rugby Union from Sydney, Australia: Australia v. England; 2.35, 3.05, 3.40 Athletics: British International Games; 4.50 Final Score.

5.00 Tom and Jerry.
5.10 News.
†5.20 Sport/Regional News.
5.25 Sing a Song of Emu.
5.55 Jim'll Fix It.
6.30 Saturday Night at the Movies: "Kissin' Cousins," starring Elvis Presley.
8.00 The Black and White Minstrel Show.
8.50 A Referendum Campaign Broadcast on behalf of the National Referendum Campaign: Why you should vote NO.
9.00 Cannon.
9.50 News.
10.05 That's Life.
10.45 Moira, starring Moira Anderson.
11.15 Eleventh Hour.
11.40 Storyteller.

All Regions as BBC 1 except at the following times:—

Wales—9.35-10.00 a.m. Boss Cat. 5.25-5.55 p.m. The Urdd Eisteddfod.

Scotland—12.02 a.m. Scottish News Summary.

Northern Ireland—5.20-5.25 p.m. Northern Ireland News and Sport. 12.02 a.m. Northern Ireland News Headlines.

BBC 2

†7.40 a.m. Open University.
3.00 p.m. Saturday Cinema: "The Black Rose," starring Tyrone Power.
7.15 News and Sport.
7.30 Network.
8.00 Looking for Clancy, part 2.
8.50 A Referendum Broadcast on behalf of the National Referendum Campaign.
9.00 The Tribal Eye.
9.50 The End of the Ho Chi Minh Trail.
11.20 News on 2.
11.25 Film Night.
†11.55 Midnight Movie: "Unearthly Stranger," starring John Neville.

LONDON

9.00 a.m. The Exploring Mind. 9.25 Play Guitar. 9.50 The Lone Ranger. 10.20 The Addams Family. 10.50 Junior Police Five 11.05 Rock On With 45. 11.35 Tarzan.

12.30 p.m. World of Sport: 12.35 International Sports Special (part 1): International Freedom Games from Kingston, Jamaica, plus Rally Driving; 1.10 News from ITN, followed by Australian Pools Check; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Newmarket; 1.45, 2.15 and 2.45 from Thirsk; 3.10 International Sports Special (part 2): Evel Knievel Road Show from Wembley Stadium, plus Speedway from Yugoslavia; 4.00 Wrestling; 4.55 Results Service.

5.10 News from ITN.
5.20 New Faces.
6.20 The Adventure Film: "The Crimson Pirate," starring Burt Lancaster.
8.10 Sale of the Century.
8.45 Thriller.
9.55 Tarbuck and All That.
10.30 EEC Referendum.
10.40 News.
10.55 "The Shuttered Room," starring Oliver Reed and Flora Robson.
12.40 a.m. My Song is Freedom.

All ITV Regions as London except at the following times:—

ANGLIA

9.50 a.m. Woobinda—Animal Doctor. †10.15 "Jailhouse Rock," starring Elvis Presley. 12.00 The Woody Woodpecker Show. 6.20 p.m. Sale of the Century. 6.50 Saturday Night Film: "Moon Zero Two." 8.40 Tarbuck and All That. 9.55 Thriller, Murder Motel. †10.55 The Saturday Late Film: "Black Hand," starring Gene Kelly. 12.40 At The End of the Day.

ATV MIDLANDS

9.15 a.m. [illegible] Play Guitar. [illegible]

BORDER

[illegible]

CHANNEL

[illegible]

GRAMPIAN

[illegible]

GRANADA

[illegible]

HTV

[illegible]

SCOTTISH

[illegible]

SOUTHERN

[illegible]

TYNE TEES

[illegible]

ULSTER

[illegible]

WESTWARD

[illegible]

YORKSHIRE

[illegible]

RADIO 1 247m

(S) Stereophonic broadcast

5.30 a.m. As Radio 2. 8.06 Ed Stewart (S) also on VHF with Junior Choice. 8.45 Headline Spotters. 10.00 Rosko. 2.00 p.m. David Gate's Top Twelve (S): also on VHF. 2.00 Alan Freeman (S) also on VHF. 5.00 John Peel (S) also on VHF. 6.30 In Concert (S) also on VHF. 7.30 As Radio 2 until 12.32 a.m. closedown.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Bruce Wyndham (S). 8.03 Racing Bulletin. 8.06 As Radio 1. 10.02 Charlie Chester with your Smiling Saturday Show (S). [illegible] (Scotland) VHF Joins Radio 1. 7.30 Cricket Scoreboard. 7.32 Radio 2 Top Tunes (S). 8.30 Saturday Night with the BBC Radio Orchestra (S). 10.02 Pop Over Europe. 10.45 Alan Dell (S) with Music Through Midnight, including at 11.02 Sports Desk. 12.00 News. 12.32 News Summary.

RADIO 3 464m, Stereo & VHF

8.00 a.m. News. 8.05 Saturday Overture (S). 9.00 News. 9.05 Record Review (S). 10.15 BBC Scottish Symphony Orchestra, part 1: Rossini, Chopin (S). 11.00 The Positive World. 11.10 Concert, part 2: Schumann, Tchaikovsky (S). 12.02 p.m. Stereo Release: Rossini, Mozart, Bizet (S). [illegible]

RADIO 4

[illegible]

BBC Radio London

[illegible]

London Broadcasting

[illegible]

Capital Radio

[illegible]

Your savings and investments

How pension funds have fared during the equity recovery

BY ERIC SHORT

SINCE THE EARLY 1950s, equities have been one of the most important investment vehicles for pension fund managers. Pension fund liabilities are both long-term and escalate with wage inflation since pensions are usually linked to final salary. Ordinary shares are long-term assets which offer an increasing return as a hedge against inflation. But last year's market collapse forced many fund managers into relatively uncharted investment territory—holding cash. How have they reacted to this year's market recovery?

The latest figures issued by Willis Faber Advisory Services in their investment performance monitoring service of managed funds gives some indication of how investment managers in certain traditional life companies have reacted. The Willis Faber service measures not only the movements in the unit price of the various managed funds run by various life companies, but also the effective weighting given to the various investment areas (some companies run more than one fund).

The tables show the absolute return from each company for the first quarter of this year and the return relative to the FT-Actuaries All Share index. The relative return is also shown covering the whole of last year. There are a few interesting features in the table. The first is that all companies showed a positive absolute return over the period, but a negative relative return.

Any fund manager that did not show a positive return in times of a substantial market recovery has got a lot of explaining to do. The worst performer—Eagle Star—had a return of only 11 per cent. But when comparisons are made with the All-Share index the dice is loaded against fund managers because of the way the All-Share index is calculated. This assumes that the index in investment terms is fully invested at all times and thus the hypothetical fund it represents moves in line with the market. But in the real world the most astute investment manager could scarcely hope to match the recent market recovery which in investment terms approached the speed of light.

The best relative performances were achieved by funds with a high equity content at the start of the year. The leader—Scottish Amicable—was fully invested in its one mixed managed fund and equities accounted for nearly two-thirds of the portfolio. The company had been steadily buying while the market was falling and was thus better placed to take advantage of the recovery.

The other interesting feature is that the companies that did well in the 1974 performance table have found themselves much further down the first-quarter table for 1975. In general a good performance could be obtained last year by being heavily liquid. But while this is good policy when the market is falling, it is not so clever when it starts to rise.

Members of pension funds have a vital interest in the investment management of their fund. Performance tables present information in a form that can be readily understood by the layman, but care is needed in interpretation. Pension fun investment is long term so performance measurements should look for consistency rather than flash-in-the-pan results. Managed funds have not been going long enough for definite conclusions to be drawn. But a constant monitoring service does mean that investment managers cannot afford to go to sleep on the job.

Many unit trusts and unit-linked life companies run exempt funds designed for pension fund investment. A comprehensive monitoring service of the whole scene is given by Harris Graham and Partners. The analysis here is by fund rather than by company but a similar pattern is shown in the results.

Company	Absolute Return 1st quarter 1975 %	Return relative to All-Share index 1st quarter 1975 %	Return relative to All-Share index Year 1974 %
Scottish Amicable	+51.4	−15.8	+18.5
Scottish Widows'	+47.8	−17.8	+52.3
GRE	+59.0	−21.5	+37.4
NPI	+41.4	−26.1	+53.7
Sun Life	+26.4	−29.7	+103.5
Equity and Law	+42.0	−29.9	+53.9
Scottish Life	+37.0	−31.7	+55.1
Norwich Union	+18.8	−33.9	+78.3
Prudential	+24.7	−35.6	+45.9
Legal and General	+29.6	−36.1	+67.3
Standard Life	+22.9	−39.3	+89.8
Royal	+22.0	−39.8	+108.3
Commercial Union	+19.7	−40.9	+84.0
Eagle Star	+11.0	−45.2	+116.7

● UNIT LINKED

Slater Walker schemes

WHEN SLATER WALKER INSURANCE was launched four year ago, a good deal of surprise was aroused among financial commentators by the type of contracts being marketed. Instead of issuing linked policies, which were undergoing a sales boom at the time, SWI was selling guaranteed contracts with bonuses payable in dividend form.

Now, when the boom is over and sales of unit-linked policies depressed, the company has announced its entry into the field. But SWI is not rushing into the market and offering investors a complete range of linked products. It is moving one step at a time.

The first contract on offier this week-end is the Asset Builder—an open-ended regular premium contract using the successful Slater Walker Assets Trust as the investment vehicle. This is to be followed shortly after by two further regular premium contracts—the Selected Investors Plan and Investors Savings Plan. The former is aimed at the larger investor and has a high unit allocation, while the other is designed for younger investors with a lower allocation and high life cover.

SWI has tailored its marketing to current trends in unit-linked life assurance. It is selling regular premium contracts not single premium bonds, although other contracts are scheduled to be available in due course. The other feature is that the underlying investment vehicles, being unit trusts, are equity-based. No venture is being made into the property field.

● ACTUARIES

Too late

ACTUARIES have been responsible for the financial health of life companies for over 200 years. So what were the actuaries doing in those companies that ran into difficulties last year? No direct answer was ever given to this question, but the troubles caused a lot of heart-searching within the profession. So this week a set of guidelines for the appointed actuary of a life company have been issued by the Institute of Actuaries and the Faculty of Actuaries.

Two points are made very clear on the precise responsibilities of appointed actuaries. First, he has a duty to his profession and his responsibility to the Board must be consistent with this. Secondly, he has obligations to the Department of Trade. Taken together these two points made it clear that the appointed actuary can never be a 100 per cent. company man.

The actuary's main responsibility is to monitor the financial soundness of the company and to warn the Board of any dangers of a certain course. Should the Board ignore his warnings, then the guidelines insist that the actuary (after informing the Board) advises the DoT of the position. In effect the actuary has a power of veto over the Board's actions, a power that if exercised could have avoided last year's troubles. The guide has come two years too late, but it is now clear that the actuary must put the interests of the policyholder first.

Cool reaction to I. G. Index

BY CHRISTOPHER HILL

Investors Gold Index raised a few eyebrows at its inception as it appealed to the gambling instinct in investors—taking a view on the price of gold. It works on the simple principle that if the investor buys a "unit" he profits or loses according to whether the price of gold rises or falls.

For example, if the IG Index quotes gold at 187-192, the investor buys 10 units at 192 and the London fixing price at the end of the month is $205 per ounce, the effective gain is £13 per unit—£130 (each shift of $1 is a £1 for the index). The same operates in reverse in that the investor can effectively sell gold "short."

The idea behind it all is now that the U.K. investor is effectively debarred from buying gold at anywhere near the world price (krugerrands now bear a domestic premium), the Index is a good way for people to take a view on gold without actually buying or selling the metal itself.

At the launch fears were expressed that the business might be all one-sided—buying or selling the index—which might cause the managers difficulty. But the latter expressed the hope that institutional investors might find the index useful as a means of hedging their position in gold or gold shares.

However, the reality is that the scheme seems to have got off to a very quiet start and the potential liability is negligible at the moment. The managers reckon that this is due to the relatively dull trend of the gold price in recent weeks. Moreover, there has been very little short-selling—most speculators are taking the view that an upward movement is likely.

Curiously, although the scheme was particularly intended to interest stockbrokers, the main institutional interest has come from commodity brokers. This is probably because they are more interested in the short-term—the basic investment period on the I.G. Index is 28 days.

Around the overseas markets

BY CHRISTOPHER HILL

WITH THE DOLLAR premium standing at 109 per cent. on Thursday compared with 89 per cent. at the beginning of the year, the investor who had gulped and paid up in January to put his money in overseas stocks would have covered a good deal of his surrender liability. But of course most people thought that the dollar premium looked high even then. And since early January the U.K. market has made all the running as the one with the biggest percentage gain. This has taken away the incentive to invest in overseas stocks even among investment managers with dollar loans—the preference being for U.K. shares with high overseas assets and earnings.

But most overseas markets have moved up in a lively way since the beginning of 1975 although last week there was a general tendency to run out of steam. And since sterling has depreciated against most other major currencies — especially the French franc—an investor buying an overseas stock would have felt the benefit of these fluctuations. However the effect is not particularly pronounced so far this year as the table indicates.

Naturally the United States, as the traditional home for overseas investment is still attracting the major interest among U.K. investors and the 27.6 per cent. rise in Standard and Poor's Composite Index makes it one of the better performers of the world's stockmarkets. But market leaders have seen minor profit-taking recently despite the general consensus that the bull market there is still in being.

As in London, there is a feeling among investors and their advisers that the bottom has been seen, but GNP figures for the first quarter showed that the recession was biting more deeply than had been anticipated originally. Most portfolio managers in the U.K. remain basically convinced of the long-term advantages of having a percentage of funds in the U.S. Canada is a good deal less of a favourite — one investment manager reckoned that it was about six months behind the general game.

Exciting

Japan is the other market which excites investment managers at the moment and some prefer it to the United States. There is tendency for experts on Japan to remain enamoured of it whatever happens and currently there is enthusiasm for the steps which have been taken to get inflation under control. The next step is for a further loosening of the fiscal screw and an upturn in the market is looked for this year.

So far however it has been one of the less exciting markets with a 17 per cent. rise since the beginning of the year. But then it bottomed out last October and never fell as far as the U.K. market. The yen is also a popular currency because of its strength against the dollar. In the "Pacific basin" context, Hong Kong and Singapore have come up a long way since their "lows" last year, but are still viewed with some caution in the U.K. Individual stocks like Jardine, however, have attracted a lot of interest.

There also appear to be signs that after a long time in the cold, the Australian market is recovering some of its appeal—at least where "natural resources" stocks are concerned. The Australian market has badly lagged behind others since the general upturn in January but has come up by about 8 per cent. over the past week.

The Australian economy generally is beset with many of the problems familiar to the U.K. investor, but liquidity has been high among local investors and there now seems to be a trend to re-invest. Some U.K. investment managers have also returned recently from their annual visits and seem suitably encouraged.

Continental European markets have slowed down in recent weeks after strong rises over the previous six months and more attention is now being paid to the feeling that economic recovery might be slower in coming than was earlier envisaged.

This is particularly the case with Germany which tends to attract the major attention from foreign investors, but it is also so with France where the official downward revision of GNP growth estimates and the forecast of a 12-15 per cent. fall in corporate profits has taken its toll of confidence. The continental markets have also had their share of rights issues and the leaders, Germany and France, now look to be in a consolidation period following recovery. Significantly, both recovered at an earlier stage than the British market.

Among the smaller markets, Switzerland has done well with a 35 per cent. gain but the increase in the value of the Swiss Franc makes it a doubtful prospect for the foreign investor at this stage. Germany, however, is still looked upon as a basically sound economy and investment managers seem happy to retain stocks there and even build up holdings at the quality end—which usually means the leading banks.

The overall picture therefore is that the leading markets have been less spectacular performers than the U.K. and in the main seem to be pausing while investors make up their minds about the timing of the worldwide economic recovery which everyone expects.

For the U.K. investor, the costs of investing abroad — except through a fund—are generally too heavy to contemplate. But, from the U.K. standpoint, one cannot but have a feeling of unease about a situation although the dramatic market recovery this year has to be viewed in the context of the steep decline last year.

	Increase since Jan. 1, 1975 %	Increase adjusted for £ fluctuation %
Singapore	+58	+64
Hong Kong	+93	+93.0
Tokyo	+17.6	+22.0
Sydney	+13.0	+15.0
Toronto	+17.0	+17.0
Belgium	+23.5	+29.0
Denmark	+17.5	+23.0
France	+31.0	+48.0
Germany	+14.8	+19.2
Holland	+17.0	+22.4
Italy	+13.0	+18.0
Spain	+ 4.8	+ 6.5
Sweden	+17.0	+23.4
Switzerland	+35.2	+39.0
U.S.A. (S&P. Comp.)	+27.6	+27.6

APPOINTMENTS

Staflex Board post

Mr. John Dean has been elected to the Board of STAFLEX INTERNATIONAL. He joined Staflex in 1973 as production director.

★

Mr. F. H. Wilkinson and Mr. E. Tindall have been appointed directors of ST. BERNARD PLASTICS.

★

Mr. Roger Shaw has been appointed director and deputy chief executive of JOHN WILLMOTT CONSTRUCTION. Mr. Travers Plummer has been appointed director and general manager of John Willmott Housing.

★

Dr. H. Rose and Dr. P. J. Agius have been appointed members of the Advisory Council on Research and Development for Fuel and Power. Dr. Rose replaces Dr. L. Pilkington on the Council as the CBI representative.

★

Mr. Paul Tillotson has been appointed managing director of CALVERT WINE AND SPIRIT COMPANY and Mr. Michael Cliff becomes managing director of COCK RUSSELL VINTNERS, subsidiaries of Seagram United Kingdom.

★

Mr. John P. Long has been appointed executive officer to the BRITISH NATIONAL COMMITTEE FOR ELECTRO-HEAT. He will be based in the Electricity Council's marketing department in London.

★

Mr. Norman R. Thomas, at present general manager, operations, of EASTERN LINER SERVICES has been appointed to the Board.

★

Mr. A. L. Fennell has been appointed publishing director of WORLD DISTRIBUTORS (MANCHESTER), subsidiary of Marshall Morgan and Scott.

★

Mr. F. P. Luff has succeeded Mr. J. E. Carlton as chairman of the ASPHALT AND COATED MACADAM ASSOCIATION for the next two years. Mr. B. W. Baker will continue as vice-chairman during that time. Mr. Luff is managing director of Val de Travers Asphalte, Tilcon Travers division. Mr. Carlton is managing director of ECC Quarries.

Following the retirement of Mr. G. R. Baxter, a director of Tarmac Roadstone Holdings, Mr. C. E. Hingley, general manager (technical services), Tarmac Roadstone Holdings, has been appointed chairman of ACMA's technical committee.

★

Mr. John Bolton has been appointed a non-executive chairman of CRELLON HOLDINGS. Mr. Victor Creer has retired from the chairmanship, but remains a director and has been elected president.

Finance and the family

An unsuitable policy

BY OUR LEGAL STAFF

My cousin was talked into buying an insurance policy, which on cool consideration was not suitable to his needs and cost him too much. The salesman told him that if he ever cancelled the policy he would get a refund of part of the premiums paid. The policy documents state otherwise. What, please, is the position?

Your cousin may be able to set up a misrepresentation which induced him to enter into the contract and thus to claim as damages the refund which he would have had if the terms of the policy coincided with the representation. However, he should first press the insurers to give him a refund—if only "ex gratia."

Phased rent increase

Referring to your reply headed "Phased rent increase" (April 19), on February 19, 1973 the local rent officer determined a fair rent to take effect from April 29, 1973. Owing to the freeze the second phased increase due in April 1974 was cancelled, but after the freeze ended I increased the rent from April 1, 1975. When can I bring into effect the third phase? When can I apply for a new "fair" rent?

You can still apply for a new fair rent to be registered when three years have elapsed since the previous registration. As your rent appears to have been subject to what are now termed "the present phasing provisions" (that is, Housing Act 1969, Sch. 3 and Housing Finance Act 1972 Sch. 6) the phasing provisions of Section 7 of the Housing Rents and Subsidies Act 1975 would not apply. Your third phase was therefore capable of being brought into effect on 29 April, 1975.

High alumina cement in flat

We have just heard that pre-stressed concrete floor beams incorporated in a flat we bought three years ago were manufactured from high alumina cement concrete. Could you tell me whether under the National House Builders contract re-instatement of the premises will be made should it be required?

It is important to see the full terms of the contracts under which you purchased your flat, that is, the contract for sale, any contract for building or completion of building, and the actual form of NHBRC contract or warranty used in your case. If there was a 10-year NHBRC contract and not the two-year form it is likely that you would have some recourse.

Conversion to natural gas

The central heating boiler in my house operates on town gas at present and only just meets the heating load. It will be converted to natural gas shortly and I expect that it will then fall to meet the heating load if it has to be down-rated. Do you think I could claim compensation from the Gas Board in this situation?

On conversion to natural gas the provisions of Article 11 of the Gas Code (Schedule 4 to the Gas Act 1972) would apply. No express provision for compensation is made, but there is a right to object to the down-rating (alteration or adjustment). You should therefore raise with your Gas Board, *before* conversion is effected, the question of how your heat load is to be met.

Not necessarily a highway

Originally our private road was a bridle-road across fields. From the late 1920s to the present day approximately half the length of the bridle-road has had properties built along either side. Building has now taken practically every plot available and stops mid-way along the old bridle-road, forming a cul-de-sac, and from then on the road develops into a recognised bridle-road once more. The local council argue it is a private road, but have laid on street lighting. Properties along our road have electricity, main drainage and main water. If we can prove the bridle-road existed before 1835 when the Highways Act came into force, can we push the council to take the road over without cost to ourselves?

Although the way may have been a highway before 1959 (when the Highways Act of that year dealt with highways formerly maintainable by the inhabitants at large) it was not necessarily a highway which was maintainable by the inhabitants at large. You would need to show both elements, that is, presumed dedication to the public, which can be shown by long user *and* that the resulting highway was maintainable by the inhabitants at large. This latter element may depend on notations on local maps such as tithe maps and, in modern times, local authority's maps of footpaths and highways. It would be wise to seek legal advice locally. You may be able to persuade other frontagers to contribute to the cost of retaining a solicitor.

Benefit from the premium

If, before the days of the dollar premium, a U.K. resident inherited Australian securities (for example, shares in an Australian Company) would he, if he now sold them, get the benefit of the premium? If so, would he similary benefit from the existence of the premium, if what was inherited is not securities but business premises in Australia?

Provided the Australian securities you mention were owned by the U.K. resident on June 23, 1972 with the right of disposal, and have been deposited with an authorised depository, they would qualify for the investment currency premium.

The situation with business premises, however, is different. The current practice, since March 1974, is that business premises are normally treated as a direct investment and would not attract the premium on any sale proceeds.

A premium bond club

I am secretary of a premium bond club, run on formal lines. One rule is that any member who gets a premium hands it over to the credit of the club bank. (a) What would be the position if a member received a winning warrant, but died before signing and forwarding it? Would his executors be bound? (b) If before a member died, he had complied with his obligations and the cash had been distributed would his executors have a claim against the club? (c) Would a sum won by a premium bond become taxable when added to the member's estate?

The method of operating your club suggests that there could be serious implications for the scheme in the provisions as to Capital Transfer Tax contained in the Finance Act 1975. You would be well advised to seek an expert legal opinion. If the club rules constitute a contract between the members (as is quite likely) the personal representatives of a deceased member would be bound to honour his contractual obligations under the circumstances indicated at both (a) and (b) of your query. We think that there is a possibility that the whole of the prize money might fall to be charged to Capital Transfer Tax if the prize money is passed on to the club in the manner indicated, but this view would be affected by the terms of your rules—hence our initial advice given above.

An agricultural holding

I own 12 acres of land adjacent to my house which was let for pasture, but in fact was converted to arable, and I was told I could not stop it. Now the tenant has died and a son is working the property, who told me he would only vacate if given very large compensation.

(a) Is it correct that I can give him notice to quit?
(b) The tenancy began on a September quarter day, on a year's notice. Does this mean I cannot regain possession until September 29, 1976?
(c) What is the position as regards compensation? The total rent I have received in 10 years is only £1,500.

(a) The position is as you state: Section 24 (2) (g) of the Agricultural Holdings Act, 1948.

(b) This, too, is correct. Section 24 of the 1948 Act only renders a notice to quit ineffectual where subsection (2) does not operate—hence there is no alteration in the common law requirement for a valid notice to quit.

(c) The tenant can claim compensation in respect of disturbance and for any improvements falling within Section 47 of the 1948 Act. The landlord may claim compensation from the tenant if there has been dilapidation or deterioration within Section 57. Mere low rental will not give rise to a right to compensation. We do not think that the change of use which you mention would give rise to a claim for compensation by the landlord.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Overseas share holdings

Referring to the item headed Overseas share holdings on April 5, could you explain this further? Who gets the proceeds of these sales of foreign currency?

The only penalty on the sale of foreign currency securities is imposed by the loss of the investment currency premium on 25 per cent. of the proceeds. In general, U.K. residents may not hold foreign currency. If securities are sold for currency, therefore, the proceeds must be exchanged into sterling. A quarter of them must be sold at the current exchange rate; the rest may be sold with benefit of the premium. The vendor, however, retains the whole of the sterling resulting from the sale.

The position where securities are sold for sterling is parallel. Sterling prices are calculated to be equivalent to the foreign currency value including the premium. Therefore it is required that the equivalent of 25 per cent. of the proceeds in terms of investment currency must be bought including premium and then sold without the premium.

Damage by golf balls

My house is adjacent to a golf course and golf balls have broken windows and tiles. A bill has been sent to the club, but so far no money has been paid. What, please, is the legal position?

It is likely that the club is liable to you for the ort of nuisance, and you are therefore entitled to be reimbursed for the damage: Castle v. St. Augustines Links (1922) 38TLR 615.

Insurance

Rising cost of theft

BY JOHN PHILIP

ALTHOUGH ALMOST all insurance companies prepare their trading accounts on a calendar year basis and although almost all are now computerised so that the underwriting profit and loss can be determined in a matter of days rather than weeks, it takes about three months for the majority of the companies to prepare for public scrutiny their balance sheets, profit and loss accounts, and so on and to prepare their chairmen's statements.

So, inevitably, it takes even longer for organisations such as the British Insurance Association to assemble statistics provided by member companies and to analyse them—which is why it is only now possible for me to discuss the gloomy report made earlier this month by the BIA chairman on the crime loss experience of member companies in 1974.

First, for the record the companies' total payout last year amounted to £30.9m., perhaps no great sum when reckoned against the bills for motor, fire and liability, but nevertheless an increase of 34 per cent. over the 1973 figure of £23.1m. Of course inflation must have played some part in this. But even if it was as much as 15 per cent., the companies' extra crime bill, in real terms, rose by a fifth.

Less worry

BIA divides its crime bill into two main sections—commercial and domestic: the first section is subdivided to show payments on money, goods in transit and commercial and industrial premises policies; the second to show the cost of household and "all risks" claims.

The unsatisfactory feature of 1974's experience compared with the previous years is this. In real and not inflationary terms, the companies' payout on all except money policies increased—perhaps giving some indication that we are about to experience a crime wave of the kind we had in the mid-sixties.

Even so, taking the long term view over the last five years, both policyholders and insurers have less to worry about in the commercial sector. The 1974 bill for commercial and industrial premises totalled £5.4m., and this, because of inflation, is substantially less than the £5.8m. paid out in 1970, the first year for which I have records. Over the five years, money losses have on paper risen from £2m. to £2.3m., which means they have in real terms declined. In 1970 transit losses totalled £2.1m., and in 1974 £3.7m., so there has been a real increase there.

It is the domestic sector that continues to worry insurers. In 1973 household policy crime losses totalled £9.5m.—last year the figure jumped by 43 per cent. to £13.6m.; in 1973 "all risks" losses totalled £4.5m., but in 1974 they rose by 34 per cent. to £5.9m. So there is clear evidence that thieves are finding it a lot easier to steal from homes than from offices, shops, and factories.

Small time

As in previous years, the BIA's chairman has been at pains to emphasise that the majority of household losses are due to small-time thieves whose activities can be deterred by reasonable care and commonsense—in his words, "ultimately the only effective crime prevention force must be the public itself."

Household and "all risks" policies cover loss, destruction and damage from a large number of perils, of which crime is only one, but second in cost to fire. While "all risks" rates have hardened a little over the last ten years or so, for household contents cover insurers to-day charge the same rates per cent. as they have done within living memory—in the 20p to 25p bracket. Insurers admit that over the years household business has been profitable—but now it is clear that their profit margin is being substantially reduced.

Certainly insurers cannot for long accept crime losses that rise in real terms by over 25 per cent. in a year, even if all other aspects of household cover do not cause problems. But, as I mentioned a few weeks ago, the scope of most household policies has been enlarged in the last few years, and it is only now that the claims cost of such enlargement, for example in the provision of subsidence cover, is beginning to be calculated. Moreover the incidence and cost of household fires continues to increase—though fortunately not to the same extent as in the commercial sector.

Without doubt the mounting pressure of increasing claims costs is severe, even without taking into account the effects of inflation. In the present financial circumstances we should, almost all of us, be revising upwards our household sums insured at each renewal. If we do not or do so insufficiently, insurers collect inadequate premiums because our policies are full value policies and insurers' rates are fixed on the assumption that we insure for full value. But, when dealing with partial losses, it is difficult for insurers to gauge the degree of under-insurance, and even more difficult effectively to penalise it, unless—like Lloyd's underwriters—they have a condition of average in their policies. So insurers get too little premium for the increasing claims cost they have to bear.

The figures I have mentioned are for BIA member companies only. They do not include the crime losses sustained either by non-member companies or by Lloyd's underwriters — which may well have amounted to £6m. or so in 1974, including perhaps as much as £2m. in the domestic sphere.

Positive action

In the last ten years insurers have taken positive action to constrain policyholders in the commercial sector to take all kinds of security measures to protect their property from thieves: the effectiveness of these measures is shown by the fact that BIA commercial losses in 1974 totalled £11.4m. against £9.9m. in 1970, an apparent increase of 15 per cent. but in a period when inflation had devalued the 1970 pound by 40 per cent. or so.

It is just not possible for insurers to require the majority of us ordinary householders to protect our homes to anything like a similar extent — even though they may be able to get a relatively few policyholders with more than ordinarily valuable property to affect a degree of risk improvement by the installation of burglar alarms, safes, and so on. It is only practicable to expect the great majority of us to put better locks and bolts on doors and windows, and to make sure they are all properly closed when we leave our homes temporarily unoccupied. This being so, if in 1975 domestic crime losses continue to increase at 1974's pace, the time cannot be far off when insurers will have to increase their "contents" rates to contain the claims that many of us can be, inadvertently, helping to produce.

TAXATION AND THE INVESTOR

Capital taxes in Ireland

BY JOHN CHOWN, TAXATION CORRESPONDENT

IN MY LAST article I discussed the Continental European approach to the taxation of wealth. To-day I want to examine in detail the recent Irish proposals, especially as these may well be a model for later compromise proposals here.

Compared with ours they seem reasonable and indeed civilised, but the latest issue of the Irish fortnightly *Hibernia* gives an extensive list of private companies which are being put into liquidation with the clear implication that this is the prelude to the departure of their owners. The accompanying article, in what is not notably a right-wing organ, points out how far Ireland has come from its past policy of whole-hearted support for private enterprise. The active encouragement of both domestic and foreign capital has done wonders for Irish economic development.

What happened, of course, is that following the last election Fine Gael, one of the two major parties after a long period of opposition, was able to form a Government in coalition with the smallest party, the Labour Party. This has inevitably resulted in policy pulling both ways and many fiscal measures owe more to the prejudices of the junior partner in the coalition than to economic realism.

A White Paper, *Capital Taxation*, published in February, 1974, proposed a capital gains tax of 35 per cent., a wealth tax at rates rising to 2 per cent. a year and a capital acquisition tax. After much criticism, the first two proposals were modified.

The rate of capital gains tax is now to be 26 per cent. (the earned income rate) and the rate of wealth tax is to be one per cent. with much larger exemption limits, a reduction in the higher rates of income tax, and a ceiling provision. It is now clearly a "substitutive" rather than an "additive" tax.

Capital acquisitions tax replaces estate duty and will, like our CTT, apply to transfers whether by way of gift or by inheritance, but unlike CTT, the cumulative rate is based on the amount received by the donee rather than the amount transferred by the donor. In contrast with the "accessions tax" proposals here, gifts from different donors will not be aggregated. In line with Continental European practice, a substantially lower rate of tax applies to transfers to direct descendants.

Husband and wife are treated separately. Although gifts between them are in principle taxable, there is an exemption of £150,000. Transfers to discretionary trusts are not taxed, tax being levied when property is taken out of the settlement.

There are four separate tables of rates depending on the degree of relationship. The rate of tax applying to gifts inter vivos is simply three-quarters of the rate applying on death, and this reduction applies to the whole scale. There are certain exemptions and reliefs, including a reduction of 50 per cent., with a maximum reduction of £100,000, in the value of agricultural property.

The rates governing liability follow ours: the tax applies where the disposer is domiciled in Ireland or the trust is Irish or, in other cases, where the property disposed of is situate in Ireland.

I reproduce only the most and least generous of Ireland's transfer tax rates. The first applies mainly to transfers to spouse and children. The millionaire with seven children pays no tax: public policy in Ireland has always favoured large families. This table also applies to transfers to a minor child of a child who has died, or to a nephew or niece who has worked for five years in the business of the uncle or aunt and who inherits assets of that business. The two tables of rates I have not reproduced apply to various intermediate degrees of relationship. The fourth, and least generous, applies where there is no close relationship.

Wealth tax in Eire is to be charged at the rate of one per cent. of the net market value of the taxable wealth of the tax payer. For the purpose of this tax the property of a wife living with her husband and of minor children (under 21 not 18, if they are not married) are aggregated. Exemption levels are £100,000 for a married man, £90,000 for a widow or widower, and £70,000 for a single person, with an addition of £2,500 for each aggregated child.

CAPITAL ACQUISITIONS TAX

Transfer to spouse or child

Transfer	Tax on inheritance*
£150,000	Nil plus 25% on next £50,000
£200,000	£12,500 plus 30% on next £50,000
£250,000	£27,500 plus 35% on next £50,000
£300,000	£45,000 plus 40% on next £50,000
£350,000	£65,000 plus 45% on next £50,000
£400,000	£87,500 plus 50% on balance

Transfer where donee is not closely related

Transfer	Tax on inheritance*
£5,000	Nil plus 20% on next £3,000
£8,000	£600 plus 22% on next £5,000
£13,000	£1,700 plus 25% on next £10,000
£23,000	£4,200 plus 30% on next £10,000
£33,000	£7,200 plus 35% on next £10,000
£43,000	£10,700 plus 40% on next £10,000
£53,000	£14,700 plus 45% on next £10,000
£63,000	£19,200 plus 50% on next £15,000
£78,000	£26,700 plus 55% on next £15,000
£93,000	£34,950 plus 60% on balance

* The rate of tax on gifts inter vivos is three-quarters of the rate on inheritances.

PERSONAL TAX RATES

After 1974 Budget

Taxable Income £	Tax	%	
0- 1,550		26	
1,550- 4,350	£403 plus	35	on excess over £ 1,550
4,350- 6,350	£1,383 "	50	"
6,350- 8,350	£2,383 "	65	"
Over £8,350	£3,683 "	80	"

Proposed after Wealth Tax

Taxable Income £	Tax	%	
0- 1,550		26	
1,550- 4,350	£403 plus	35	on excess over £ 1,550
4,350- 6,350	£1,383 "	45	" £ 4,350
6,350- 8,350	£2,283 "	55	" £ 6,350
8,350-10,350	£3,333 "	65	" £ 8,350
Over £10,350	£4,683 "	70	" £10,350

Wealth tax applies to the whole of the taxable wealth of a discretionary trust without any exemption. Certain types of trust can be "looked through" which gives a more favourable answer as the beneficiaries can claim the exemption limits.

When wealth tax is introduced, the schedule of personal tax rates will be reduced, with a top rate of 70 per cent.

The table shows the rates on personal (investment) income as in the 1974 Budget and as proposed after the introduction of the wealth tax.

It will be seen that the top rate has been reduced from 80 per cent. to 70 per cent. (a far cry from our own 98 per cent.) The combined effect of the two changes will be to reduce the total tax burden (income tax and wealth tax) on those earning more than about 10 per cent. on their capital and also on those with smaller assets earning a lower rate of return.

In addition there is a proviso that where the combined impact of income tax and wealth tax amounts to more than 80 per cent. of a taxpayer's income, the wealth tax will be abated, except that at least half the normal level of wealth tax must remain in charge. There is thus a limited ceiling provision.

Single premium insurance stays in the doldrums

BY ERIC SHORT

THERE WAS no sign of any substantial recovery in new single premium unit-linked life assurance business in the first quarter of this year.

Figures issued yesterday by the Linked Life Assurance Group for this period showed that the amount of this business transacted, at £12.962m., was little changed from that done in the previous quarter.

But it was only one-third of the amount of business written in the first quarter of 1974.

In contrast, new regular premium business for the first three months of the year increased by 21 per cent. on the previous quarter, amounting to £9.535m. This was slightly higher than for the corresponding quarter of last year.

Thus, the process of re-orientation of business from heavy single premium selling to more regular premium contracts has continued in 1975. This trend was highlighted in 1974 when regular premium business increased, but single premium business fell by more than two-thirds.

The amount of new unit-linked pension business transacted in the first quarter of the year showed an overall improvement on previous figures. Annual premium business for the quarter totalled £4.422m., slightly lower than the previous quarter, but more than double that transacted in the first three months of 1974.

New single premium pension business amounted to £3.426m., which was 30 per cent. higher which was 50 per cent. higher than the business for the last quarter of 1974 and 25 per cent. up on the first three months of last year.

The Association of Unit Trust Managers also released figures yesterday showing the amount invested in authorised unit-trusts by unit-linked life assurance business involving equity-linked policies, managed funds and equity bonds.

This showed an increase on the quarter in the net amount invested of £3.8m. to £16.65m., bringing the aggregate market value at the end of March, 1975, to £380m.

This improvement reflects the substantial recovery in the equity market over the period.

Record receipts at monuments

VISITORS to historic buildings and ancient monuments under Government control paid a record £1.92m. in admission fees last year, according to the Department of the Environment.

Because fees went up, receipts increased even though there was a drop in numbers at some monuments. A total of 15m. people visited the monuments, and the fees paid represented an increase of more than £1m. over 1973.

Most popular monuments were the Tower of London (2,393,500 visitors), Crown Jewels (1,634,400), Edinburgh Castle (737,500), Stonehenge (640,000), Hampton Court Palace (632,300), and Caernarvon Castle (457,900).

Clothes for older children at Mothercare

Financial Times Reporter

MOTHERCARE is to extend its range of children's clothes into the school age market for the first time. Starting in the autumn, it is to sell clothes for youngsters up to 10 years old.

To start with, Mothercare will sell three extra sizes in about 110 out of the group's 150 shops. By Christmas, 1976, it also aims to be selling games and education products for school-age children.

CHESS SOLUTIONS

Solution to Position No. [illegible]

1 R-K5, Q-B7 (if QxP, 2 RxP ch, K-N4, 3 B-K3 wins the queen); 2 R-N5 ch, K-R3, 3 Q-B8 ch! RxQ, 4 B-N7 mate.

Solution to Problem No. 64

1 R-R3, K-B4; 2 P-B4. If 2 ... K-N5; 3 B-Q6 mate, or if K-Q5 3 B-B2 mate.

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Motoring

The price of economy

BY PETER FOSTER

THE PEUGEOT 504L Diesel is not exactly the car for get-away people. Once I had, for the first time, successfully negotiated its four-part starting operation—including holding down the "pre-heating" switch for at least 40 seconds—and the engine had chugged into life, I found that my main problem was getting over the sheer embarrassment of sounding so much like a taxi.

But in fairness to Peugeot, this is exactly the kind of use for which this rugged and economical vehicle is designed. It is its strictly functional qualities which have most appeal for the fleet operator, the taxi driver, and the farmer.

Economy

A good many exaggerated claims have been made about diesel cars since the fuel crisis began 18 months ago. In these times of Government exhortation to fuel economy and moral disapprobation of rubber-burning acceleration and three-figure top speeds, much praise has been lavished on the economic virtues of the diesel engine. Because of its greater thermal efficiency, it produces more miles per gallon, and uses cheaper fuel. The savings can however be over-estimated in comparison with petrol engines which do not take sufficient account of differences in performance.

For the 10,000 mile a year man, the fact that diesel fuel is up to 10p a gallon cheaper than four star and that the 504L produces about 8mpg more than its petrol counterpart means a saving of something like £3 a week on fuel costs. But a price has to be paid in performance terms.

Lower power

The petrol-engined 504 produces 98 bhp at 5,600 rpm, whereas the diesel version has an output of just 56 bhp at 4,500 rpm, and the impact of the much lower power on both acceleration and top speed is considerable. The diesel can be pushed up to about 80 m.p.h., but this is 20 m.p.h. slower than the petrol car and it takes twice as long to reach 60 m.p.h., which means that manoeuvrability in traffic is considerably impaired.

The nature of the diesel makes it more economical in part-throttle urban motoring—which is one of the reasons why it is so popular with French taxi drivers. But if one really wanted to compare the 504L's performance with a petrol equivalent, a petrol engine of barely half the diesel's capacity would be sufficient to match its performance and fuel savings would be put in a more realistic perspective.

The 504 has, in fact, been around for some time now. The model was introduced in France in 1968 and in the U.K. two years later and has been voted Car of the Year by French motoring journalists. Some 800,000 models have been built and the car's continuing strong market means that it accounts for about a quarter of all Peugeot production.

Perhaps the diesel 504 suffers most because one is inevitably led to compare its performance with that of the excellent petrol 504, which remains one of Europe's most popular family saloons. In fact, I found that my one regret when driving the 504 GL recently was that it was not more powerful, although there is a fuel-injection model available in this country.

It is easy to understand the popularity which the 504 has enjoyed since it was introduced some seven years ago. Its independent suspension provides the most comfortable of rides and I found that a recent nine-hour drive from London to Penzance, when road conditions beyond Bristol were temper-fraying to say the least, left me without an ache and in a relatively good mood.

Comfort

The diesel naturally inherits these high standards of internal comfort but its sluggish performance means that its attraction will be principally to the man who drives for business rather than pleasure.

Mechanics for all U.K. Peugeot dealerships have been trained to maintain and service the 504L. Its range of standard equipment is fairly comprehensive, including laminated windscreen, reversing lights, a heated rear window, seat belts and disc brakes on the front wheels. At £2,753, including VAT and car tax, the 504L is about £140 more expensive than the GL.

Golf

23rd defeat shows Walker Cup is a waste of time

BY BEN WRIGHT

AFTERTHOUGHT on the 25th Walker Cup match at St. Andrews, in which Great Britain and Ireland suffered defeat for the 23rd time, must be that, as a sporting contest, it is hopelessly one-sided and a considerable waste of time.

It is not so much the gulf in technique that used to separate the two teams that make our chances of success so forlorn—rather the reverse.

There was ample evidence in the past week that several of our young men were at least the equal of some of the Americans in that department.

But in application we are not in the same league, either mentally or physically as our bi-annual opponents. This was proved conclusively both this week at St. Andrews and during the 1973 Ryder Cup match at Muirfield.

On both occasions our men fell apart at the vital moment they needed to pull themselves together for one last superhuman effort.

Valuable

Of course, friendships that are made and cemented by such fixtures are valuable to those concerned. But the increasingly off-hand treatment of the golfing Press by officialdom of the Royal and Ancient Golf Club of St. Andrews—most noticeable on this occasion—may eventually perhaps persuade the media that these bi-annual house-parties should indeed be treated as private affairs unless the competition is improved and upgraded to put us in with a chance.

But Royal and Ancient attitudes are out of place in the modern world. For instance, the golfing Press was discouraged, no, prevented, from talking to the players during the Walker Cup match. We were issued with armbands that were useless, since the spectators were allowed to roam the fairways and, in the bitter cold, were not in the mood to allow golf writers to get past them so that they could actually see what was going on.

A senior official of the Royal and Ancient has been heard to say recently that Pressmen are only of use to him up to the time the event starts, in that they build up public interest.

But the gentleman in question added that he could well do without them after that because it is only the television that matters—dangerous words.

Officials must remember the millions in far-flung countries and in remote areas who are not able to afford to spend hours in front of TV sets or beside their radios. They rely on the written word, and in this respect the golf writer's role is an important one, and his rights must be respected.

The last thing the world needs are Press centres crowded with scribes trying to report major golfing events off closed-circuit TV. The American attitude is to welcome the media with open arms, which is why golf at all competitive levels continues to thrive in that country. When will we ever learn?

It was most ironical that the finest golfer on either side at St. Andrews, Jerry Pate, should lose all four of his matches. As one wag remarked after Pate's fourth defeat: "He should turn amateur after all that!" In fact, it is no secret that Pate and four of his team-mates will enrol at the autumn USPGA school in the hope of winning their cards to compete on the professional tour.

Priced out

And thus a mockery is made of amateurism and the Walker Cup match. But at least the Royal and Ancient took one reluctant step towards reality last week by increasing the maximum retail value of amateur prizes from £50 to £100, while the U.S. Golf Association pushed up their maximum from $200 to $250.

The small crowds at St. Andrews indicate the unhealthy state of amateur golf, which is fast being priced out of existence by inflation. It is now merely used as a stepping stone to the professional tour by too many youngsters of too little talent falling over each other in indecent haste to achieve fame and fortune.

Roger Jennings, the notable teaching professional to whom many promising youngsters are sent by the English Golf Union for coaching, was deploring this deluded attitude as a breeder of both poverty and misery, while we were watching the closing stages of the Brabazon Trophy competition recently.

Jennings is very unhappy because so many boys turn professional when they have only half learned to play the game and have not even become dominant figures in the amateur ranks.

It seems to me that the time has come to allow youngsters of the required—and it must be very high—standard to play professional tournaments for a year or more to see whether they have any chance of becoming successful playing professionals.

Kindness

If they don't make the grade, or dislike the life, then they should be immediately reinstated as amateurs.

Perhaps, if this kind of consideration and kindness was shown to them, youngsters would not be in such a hurry to take a step which is, under the present circumstances, such a drastic one.

Many have to wait years for reinstatement and are consequently miserably unhappy. Most are lost to the game for ever.

This proposal will probably be regarded as preposterous to the more conservative members of the Royal and Ancient. But something has got to be done to liberalise golf now if it is not to become once again the province of the wealthy alone.

Bridge

Learning the secrets

BY E. P. C. COTTER

THE ABILITY to read the cards, whether as declarer or defender, distinguishes the expert from the less gifted player. Like most good things this ability depends upon hard work, but Fred Karpin's *The Art of Card Reading at Bridge* (A. and C. Black £3.50) will make this work less arduous. You will not fail to enjoy and profit from this book.

Let us see what this deal can teach us:

```
                 N
            ♠ Q 7
            ♥ A 9 8 5 4 3 2
            ♦ K 7 5
            ♣ 5
      W                     E
♠ J 8 6 3             ♠ K 10 9 4 2
♥ —                   ♥ 7
♦ J 10 9 8 4 3        ♦ Q
♣ K 10 2              ♣ Q 8 7 6 4 3
                 S
            ♠ A 5
            ♥ K Q J 10 6
            ♦ A 6 2
            ♣ A J 9
```

At love all South dealt and bid one heart, North raised to *three hearts (most of us would* bid four), and South said four no trumps, bidding six hearts after North's response of five diamonds.

West led the diamond Knave, dummy's King won, and East dropped the Queen. The nine of hearts drew East's trump, and the club five was led to the Ace. Ruffing the club nine on the table, South returned to hand with the Ace of diamonds, on which East threw a spade. The Knave of clubs was ruffed, and on this trick West followed with the King.

Many a declarer at this stage would play a diamond to put West in the lead, and hope to make the spade Queen on the forced spade return. And, to be fair, one could not condemn this method of play. But this declarer counted West for three clubs, six diamonds, no hearts, and so with four spades.

This meant that East had five spades, and was therefore mathematically more likely to possess any specific card in the suit. So East was selected as the victim of the endplay. South cashed the spade Ace and led another spade to put East into the lead. Now the forced black suit return gave South a ruff discard, and the slam was made.

You may think this is hair-splitting, but you cannot fail to be impressed by the fine dummy play which follows:

```
                 N
            ♠ A 5 4
            ♥ 2
            ♦ A K 9 8 7 5 4
            ♣ J 8
      W                     E
♠ 9                   ♠ K Q J 8 3
♥ 9 5 3               ♥ 7 6 4
♦ Q J 10              ♦ 6 3 2
♣ A 10 9 7 6 5        ♣ 4 3
                 S
            ♠ 10 7 6 2
            ♥ A K Q J 10 8
            ♦ —
            ♣ K Q 2
```

With North-South vulnerable West dealt and pre-empted with three clubs, a bid which is hardly up to standard requirements. North said three diamonds, East came in with three spades, and South bid five *hearts. North went back to six* diamonds, but South bid six hearts, and all passed.

West led the nine of spades, which was clearly a singleton. Now South had to work out some method of bringing home his slam. This entailed making some assumptions, among others that the diamonds were divided 3-3.

Winning with dummy's Ace of spades, the declarer cashed Ace and King of diamonds, on which he discarded his King and Queen of clubs. Then he ruffed a low diamond with the Ace of trumps, noting with satisfaction that both opponents followed. Three rounds of trumps pulled the enemy's teeth, and now South led the two of clubs. West of course, had to win with his Ace, but with nothing but clubs in his hand, he had to give the declarer access to the table via the Knave of clubs, which allowed the three spade losers to be discarded on the winning diamonds.

This was a beautiful example of card reading, combined with the first-class technique to make use of it.

Readers' Protection Scheme—Mail Order Advertising

With effect from 1st April, 1975 National newspapers have set up a Central Fund to refund monies sent by readers in response to mail order advertisements placed by mail order traders who fail to supply goods or refund the money and who have become the subject of liquidation or bankruptcy proceedings. This arrangement does not apply to any failure to supply goods advertised in a catalogue or direct mail solicitation. These refunds are made on a voluntary basis on behalf of the contributors to the Fund and the readers' claims are limited to the extent of the Central Fund. The Fund will be administered by the Newspaper Publishers Association on behalf of the contributors.

For the purpose of the Scheme:—

(a) Mail Order Advertising is defined as direct response advertisements, display or postal bargains, where cash has to be sent in advance of goods being received. Classified advertising is excluded.

(b) Classified advertising is defined as advertising that appears under a "Classification" heading (excluding postal bargain features) or within the classified columns or sections of the newspaper concerned.

In the unhappy event of the failure of a mail order trader, readers are advised to lodge a claim with the newspaper concerned within three months from the date of the appearance of the advertisement. Any claim received after this period may be considered at the discretion of the NPA.

The establishment of this Fund enables you to respond to these advertisements with confidence.

Travel

The Moselle district

BY HAROLD CHAMPION

KOBLENZ, situated at the confluence of the Mosel (a river better known in England, perhaps, as the Moselle) and the Rhein (Rhine) cannot, I feel, be accurately described as a romantic city but it's certainly set in romantic wine-producing country near picturesque, peaceful villages and is thus a convenient centre for exploring the extensive vineyards of this celebrated area.

One of its most notable features is the Weindorf, the Wine Village. Built in 1925 when there was a Wine Exhibition, it remains a place to which people from all over the world who are interested in wine visit to sample various Rhein and Mosel vintages.

Here every important producing centre is represented. The management is not wholly prejudiced in favour of wine, however. Germany is a beer drinking country: there's a "Braustubl," a "beer pub," as well as wine shops, and it seemed to me that more of the locals drank beer than wine.

I stayed at the Höhmann in the Station Square at Koblenz, an adequate but by no means luxurious establishment, like many hotels in this area without a restaurant but with a comfortable breakfast room. I was a little taken aback to be directed to the station restaurant for lunch and dinner, but I need not have been. By German standards the meals were good and well-served.

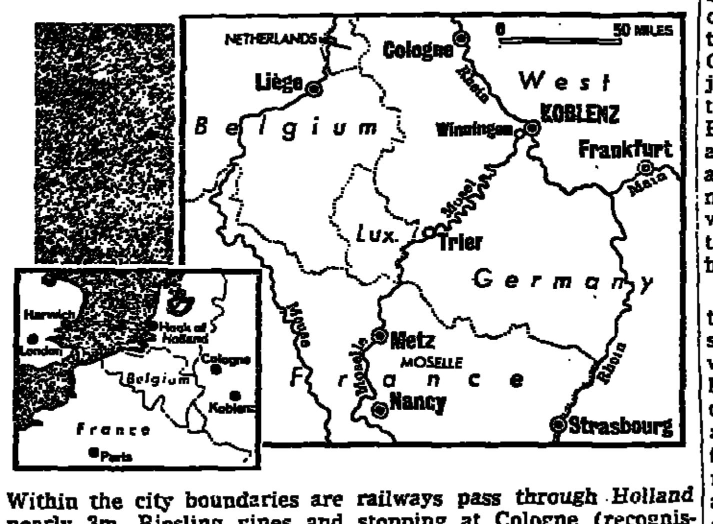
Two top grade hotels are the Brenner and the old-established Deihl's Terrasse where a double room with bath costs from DM60 with lunch and dinner from DM10 to DM18.

Germany, it need hardly be said, is a very expensive country. I took a taxi from Koblenz to the picturesque village of Winningen, self-consciously touristic, where a fairly modest lunch cost me DM21.

As far as my German experience goes, restaurant meals not only on the Rhein and its region but also in cities like Munich are characterised by quantity rather than finesse, menus don't seem to adventure much beyond pork, veal and steak. But in no eating place did I suffer bad, inexpert service.

The high spot of the tour was certainly Trier (Treves) Germany's oldest city, dating as it does from Roman times. Some Roman remains are well preserved, notably the Porta Nigra, a huge building constructed of sandstone blocks without mortar, originally held together by iron clamps; but a shortage of iron in the immediate post-Roman period caused them to be removed and there was much systematic destruction but the vast building still conveys an impression of strength. Much damaged during the last war, it was carefully restored and, according to one Tourist Office publication, improved.

The junction of the Rhine and Moselle at Koblenz.



The hotel in which I stayed was the Dorint in the Porta Nigra Square opposite the monument, one of a group not dissimilar to our Trust House Forté Post Houses. It's a top class establishment and remains in my memory as providing the best cuisine I found on the whole trip.

The Porta Nigra is not the only ancient monument in Trier. Near the Cathedral one of the streets is named "Sich um Dich" which, being interpreted, is "Look Around You"—here, as my guide pointed out, you can take 2,000 steps and witness as many years of history.

Trier includes about 4½m. square yards of vineyards which makes it one of the largest wine-producing communities of the Mosel, Saar and Ruwer. Within the city boundaries are nearly 3m. Riesling vines and Mosel wine proper is white.

The Mosel, like the Rhein, is a thoroughfare. Unfortunately when I was there the passenger boat season had not begun (it started on May 17) but it didn't take much imagination to realise that the best place from which to appreciate the beauties of the countryside is from the deck saloon of a river boat.

How to get there? I elected to take the Sealink International Passenger and Car Ferry Service of British Railways, starting from London's Liverpool Street Station and heading for Harwich and the Hook of Holland. From the Hook, Germany's fast and comfortable railways pass through Holland stopping at Cologne (recognisable some distance from the main railway station by the twin towers of the cathedral). Koblenz, arriving ultimately at Trier.

On my homeward journey I stopped off at Cologne and put up at the Bundesbahn Hotel which, conveniently, is in the central railway station. The punctuality of German Railways is most impressive, as is British Rail's Sealink Service.

The trip from Harwich to the Hook is sufficiently lengthy to make the use of a cabin worth while, but it is desirable to book a berth in advance. Duty free alcohol, cigarettes, perfume, and so on, are obtainable aboard.

Gardening

Designer with style and good taste

BY A. G. L. HELLYER

WHEN the various influences that have shaped garden design are being discussed many names are likely to be mentioned but, unless the speakers are unusually well informed or have personal experience of their work, it is unlikely that either Harold Peto or Percy Cane will be among them. This is strange for it seems to me that these two designers have had at least as great an effect on the way gardens have been made in Britain this century as anyone.

Harold Peto, who planned such fine gardens as Buscot Park in Berkshire and Garinish Island at Glengarriff in south west Ireland, still awaits a chronicler. But I am delighted to see that a biography, Percy Cane . . . Garden Designer, has just been published by Bartholomew (£3.50). The author, Ronald Webber, has had the active assistance of Mr. Cane and the benefit of extensive notes for an autobiography which Mr. Cane prepared some time ago but through ill health has not been able to complete.

I link Peto and Cane because their ideas seem to me to be similar, the one continuing the work which the other had begun. Mr. Cane might well dispute this for when I once asked him who had chiefly influenced him he replied that no one had influenced him at all and that he had always designed gardens in his own way.

But none of us lives in a vacuum and influences there must be even if they remain unrecognised. Anyway it is clear that Peto and Cane were both in revolt against the excessive naturalism that was threatening firm garden design at the turn of the century, and Mr. Webber records that what finally decided the young Cane to become a garden designer was a visit to Easton Lodge, the garden of which had then just been transformed by Harold Peto.

Peto was greatly influenced by Italian renaissance architecture and when, years later, Percy Cane visited Italy for the first time he records that it brought "floods of light" and that "to walk . . . from square to square, each different to the others and each replete with its own interest was . . . a revelation."

I do not know how many gardens Mr. Cane has designed in his long working life (he retired in 1973 when he was 91) but 91 gardens are recorded in an appendix to this book as "a selection," and there must be many more for he was an industrious worker. Not all were in Britain for he planned the Imperial Palace gardens in Ethiopia for the Emperor Haile Selassie, as well as several gardens in France and also in America, Austria and Greece. But it is the British work which interests me most because it represents so closely what has come to be regarded as "good taste."

Exciting

These include such notable achievements as all the later work at Dartington Hall, Falkland Palace, extensive additions at Hascombe Court and Woburn Abbey, the White House at Highgate and also the White House at Sandwich, Hungerdown House, and Monteviot, the last inexplicably omitted from Mr. Webber's appendix though illustrated and included in the main text. It is, in my view, one of the most visually exciting of all Mr. Cane's designs and one which admirably exhibits his mastery of stonework, here used on a scale greater than in any other Cane garden I know.

Good masonry is one of the characteristics of all Mr. Cane's gardens and he is a past master at handling steps, as witness the magnificent flights which lead from down the valley side at Dartington Hall and also into and out of the old tiltyard. From his earliest days he has favoured good solid rectangular slabs, and I have never seen a Cane design that admitted crazy paving in any part, popular though that material was when he started designing more than 70 years ago.

His stairways often turn a corner at right angles or have curved steps affording interesting plays of light and shade and they are invariably well constructed. He loves wide terraces and walks and at Monteviot he used high buttresses with admirably dramatic effect.

Side by side with this formal element in Mr. Cane's work goes a contrasting informal aspect. Yet even his informality is well mannered. He is particularly fond of glades but his interpretation of this feature is so distinctive that he might almost be said to have invented it.

Garden glades

I once asked him how he distinguished his kind of glade from the traditional sort and he replied that he regarded his as garden glades as opposed to the traditional woodland glades. He has, in fact, taken the basic idea of an open space enclosed by trees and shrubs and given it such a thorough grooming that it looks as much at home in a suburban as in a country garden.

Perhaps in doing this he has borne in mind a comment of William Morris, quoted in this biography with obvious approval, that "large or small the garden should look both orderly and rich . . . It should by no means imitate either the wilfulness or the wildness of Nature but should look a thing never seen except near a house."

Maybe it is because Mr. Cane has stuck so closely to this dictum throughout his career that he has been kept so constantly busy and has been so frequently copied. This excellent book is generously illustrated with plans and photographs which make it abundantly plain what the Cane style is, but the picture on the dust jacket, though colourful and pretty, is so uncharacteristic that I even wonder whether it is one of Mr. Cane's creations.

10% buyer's premium at Christie's

By Michael Thompson-Noel

IN A MAJOR re-organisation of its terms of sale, Christie's the London auction house, is to introduce a buyer's premium of 10 per cent. on all sales from the start of its autumn season. The reason is given as rising operating costs. At the same time the charge to sellers is to be reduced to a flat 10 per cent.

Mr. John Floyd, Christie's chairman, said the 10 per cent. buyers' charge would help the firm maintain its high standards of service and help combat rising costs. The move would also be a logical alignment of the firm's London terms of sale with standard Continental practice.

Sotheby's, the other major London auction house, will discuss the Christie's move at a Board meeting on Monday, and is expected to follow suit in introducing a charge to buyers.

Mr. Floyd said the most punishing cost increases had involved salaries and wages, catalogue production and printing expenses, telephone and postal charges and central London rates.

Despite an uptrend in sales levels since the New Year, both Sotheby's and Christie's sales figures have suffered recently from the market's loss of confidence last summer.

Provisional figures from Christie's International in April revealed a 1974 drop in pre-tax profits from £2.17m. to £1.55m., although Christie's said that its rationalisation programme—which included some redundancies—plus the acquisition of Debenham and Co., would help reduce costs.

Christie's present sliding scale of commissions charged to vendors is 15 per cent. on individual sales up to £500, 12.5 per cent. for £500-£10,000, and 10 per cent. for £10,000-plus. These have remained constant since October, 1970.

Mr. Floyd said that talks with dealers and other members of the art market indicated that the new charges would be acceptable as "fair and logical."

● The usual Friday torpor settled on the London salerooms yesterday, but Sotheby's managed some good prices in a routine sale of English furniture which totalled £69,631. A set of 12 George III mahogany dining chairs were bought by Hotspur, the London dealers, for £3,400, and a good pair of late George III library globes by G. Smith and Son made £2,600.

Among the rugs a pair of Kashan rugs, both 7 feet by 4 feet 9 inches, were bought by D. Forde for £2,500, and a Semnah rug, 6 feet 8 inches by 4 feet 8 inches, was acquired by Aziz, a London dealer, for £1,800.

CHESS

BY LEONARD BARDEN

THE TRICK which catches out most novices, once past the stage of falling for Scholar's Mate and its assorted rook-winning side variations, is the snap mate on the back row when the game is already won. Going into an ending with material ahead, players lower their mental barriers and become careless. The late Dr. Tarrasch had the good if undignified advice for such situations when he recommended sitting on your hands when you have a winning position.

Back row mates can be the crude type where the rook arrives on a distant square such as QR8 while the would-be winner is concentrating his attention on his attack on the other flank; they can be the more sophisticated kind where a player checks with his rook, his opponent interposes a fianchettoed bishop at KN2 back to KB1, and then the winner slides in a bishop at KR6; and finally they can be the memorably interesting variety where one side offers a major piece which cannot be taken without the capturing side fatally weakening his back row.

The classic example of the master calibre back row mate is a game Adams v. Torre, where the otherwise unknown Adams offered his queen several times until Torre, a master, was forced into an indefensible position. Textbooks usually prefer to illustrate a piece of tactics with an example by players who are well-known anyway, but the brilliance of the Adams-Torre situation has defied attempts at substitution.

This week's game is at last an all-grandmaster encounter with the Adams-Torre theme which may usurp the latter's place in the tactical instruction hints.

White: M. Tal (Soviet Union). Black: F. Olafsson (Iceland). Las Palmas international, 1975. Opening: Modern Defence.

The opening moves were 1 P-K4, P-Q3; 2 P-Q4, P-KN3; 3 B-QB4, N-KB3; 4 Q-K2, N-B3; 5 N-KB3, B-N5; 6 P-B3, P-K4; 7 B-QN5.

It is an illustration of the flexible qualities of the Modern and Pirc Defences (1...P-KN3 and 1...P-Q3) that even the position after White's third doesn't seem to be in either of the two comprehensive Batsford monographs by Keene and Botterill on this system.

Tal's actual plan looks too artificial, moving the KB twice in the first seven moves.

7...PxP; 8 PxP, N-Q2; 9 B-K3, B-N2; 10 BxN.

The threat to the QP means that Tal must swap the bishop, admitting the failure of his opening strategy, or waste yet more time by 10 Q-Q3.

10...PxB; 11 QN-Q2, 0-0; 12 R-QB1, P-QB4; 13 PxP.

The pressure along the long black diagonal and against the QP is becoming acute, so Tal opts for opening up files for the queens and rooks.

13...BxP; 14 R-B2, B-N2; 15 0-0, R-K1; 16 R-Q1, NxP; 17 BxN, PxB; 18 RxP, Q-Q3; 19 R(1)-QB1.

White's position would look favourable if Black had nothing better than passive defence to the weak QBP; but Olafsson's next few moves highlight the weakness of White's underprotected back row.

19...B-R3; 20 RxP, QR-Q1; 21 R(1)-B2.

Tal must have smelt trouble by now, if not earlier. White would naturally prefer to keep one of his rooks as a back row sweeper, but if 21 R(7)-B2 B(N5)xN; 22 QxB, BxN; 23 R-Q2 Q-N5 and Black stays a piece ahead.

21...B(R3)xN; 22 QxB, Q-B5!

The Adams-Torre theme mentioned above. If 23 QxQ, R-Q8 ch mates.

23 R-K7.

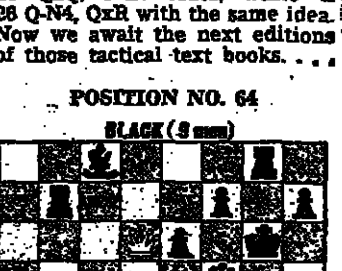
Hoping for a tactical out; for if 23...RxR; 24 QxR ch, or if 23...RxQ; 24 RxR ch, but . . .

23...R-KB1! 24 Q-R5, R-Q8 ch; 25 N-K1, Q-N4! 26 Resigns.

An elegant finish, also showing the Adams-Torre theme. If 26 QxQ, RxN mate, while if 26 Q-N4, QxR with the same idea. Now we await the next editions of those tactical text books. . . .

POSITION NO. 64

BLACK (8 men)

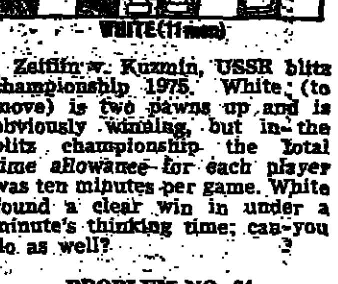


WHITE (11 men)

Zeitlin v. Kuzmin, USSR blitz championship 1975. White (to move) is two pawns up and is obviously winning, but in the blitz championship the total time allowance for each player was ten minutes per game. White found a clear win in under a minute's thinking time; can you do as well?

PROBLEM NO. 64

BLACK (4 men)



WHITE (9 men)

White mates in three moves, against any defence (by F. Giegold, Deutsche Schachzeitung, 1975).

Solutions Page 4

هكذا من الاصل

How to spend it

by Lucia van der Post

Buyin' . . cookin' . . freezin' . .

IF YOU were one of the hundreds and thousands of women who went rushing out to buy a freezer *after the last budget*, thereby avoiding the increased VAT rates imposed from May 1st, you are probably, like me, sitting there looking at the vast great white mountain, wondering where and how to begin to fill it.

Nearly everybody I have spoken to on the subject agrees that too much buying of ready-frozen food is a dull and expensive way to use the freezer. But keeping it fairly full is important because it is much more economical to run than if empty.

The best methods of filling a freezer are by bulk buying and bulk cooking, and most freezer users recommend a combination of the two. They nearly all find that bulk-buying of meat in particular enables a family to eat considerably better for the same expenditure (if you think you are actually going to *save* money, you'll be disappointed).

Where to buy the meat is not always simple. You can try buying it direct from a farm or from contacts at Smithfields, but, like Angela Minzley (interviewed right), you will find that this means you usually have to do the butchering yourself and this is something I, personally, would rather have done for me.

Most freezer owners seem to recommend finding a good local butcher, discussing with him what is available, what terms he can give you and into what portions he will butcher the meat you want. They find this cheaper and more satisfactory than buying meat at the large freezer centres.

A small selection of the gourmet dishes put out by the really top-class firms are worth buying as a useful standby—things like Coq au Vin, Duckling à l'orange, and so on. Usually the portions are on the mean side so buy more than they recommend.

Those of you who have fresh produce from the garden will obviously find the freezer a marvellous way of conserving and stretching those summer fruits and vegetables.

I shall use my freezer for keeping a ready cache of certain prepared meals as well as some ready-prepared foods like puff pastry, bread, rolls, stock (frozen in cubes in ice-trays so as to make it easier to use), chopped fresh herbs, pastry flan cases, sponge cakes, lemonade made when lemons are cheap, ice-creams made from fresh fruit, sauces ready to add to enliven meals and so on.

Now that freezer centres are so widely-spread and to be found in almost every town it is not so easy to find firms ready to deliver to the door. Beware of entering into any long-term contract to buy solely from one source.

All the people we interviewed agreed that packaging is often made to sound over-complicated—it is important because freezer-burn can spoil the food and keeping the air out helps preserve the flavour but a simple range of plastic containers and cling-film suitable for a freezer should be about all you need.

Soups can be a problem and here specially-bought containers are probably necessary. Lakeland Plastics, Alexandra Road, Windermere, is a particularly good and reliable source of mail order buying for packaging, and they have a cylindrical shaped container that holds 1¾ pints that would be particularly suitable.

Do insure the freezer and its contents—this costs in the region of £5 a year and if you remember how much the food in a large freezer would cost to replace it seems a small enough price to pay.

I think a good book on the subject is essential. A book I personally find very useful is The Penguin Freezer Cookbook by Helge Rubinstein and Sheila Bush at 60p. The authors not only take you through the basic information but then proceed through the year month by month suggesting how to deal with the natural produce of that month (that is, in January when Leeks are at their tenderest and most bountiful you should be making your Vichyssoise for the summer). I also like Audrey Ellis's Complete Book of Home Freezing, published by Hamlyn, £2.50.

Cooks on call

Finally, if you can afford it, there are a few private catering firms that will come and cook specially for your freezer—this seems to me a marvellous service for starting off the nervous first-time freezer owner. The advantage of this service over buying expensive ready-prepared dishes is that they will cook exactly what you want, it will obviously be entirely "home" cooking and very often the prices seem exceedingly reasonable.

Catercall, of 109, Stephendale Road, London, S.W.6 (01-731 3996) have a list of dishes they will cook for the freezer. Write for leaflet.

Friendly Kitchens, 4, St. Peter's Road, St. Margarets, Twickenham, Middlesex, will cook for you, using your own dishes and containers. The minimum they will do is a day's cooking, which usually means four to six dishes, and they charge £12 per day plus the cost of ingredients.

Problem, well known to readers of this page, of 179-181, Vauxhall Bridge Road, London, S.W.1, *also runs a service to its* members (£12 a year to join) under which cooks will prepare meals chosen by the customer *for the freezer* and charge by the hour (£1.50 per hour) for the work plus ingredients and delivery.

Gastronomique, 69, Richborne Terrace, London, S.W.8, do their costing on a slightly different basis, charging per portion for each dish. They have a price *list they will send out.*

Terry Kirk

Leonard Burt

Left, Dr. Erica Higgens with the huge harvest loaf her family made two years ago. As it took a great deal of time and effort the same loaf is used year after year! Right, Angela Minzley photographed with some of the contents of her upright freezer.

"

ANGELA MINZLEY leads a very busy life as a director of one of London's largest public relations firms and as a wife to a French husband with distictly gourmet tastes. She didn't want a freezer at first because they live in a small flat; she couldn't think where she'd put it and felt it was an unnecessary luxury she could manage without.

Her husband managed to persuade her that she needed one so that left them with the problem of what sort to buy and where to put it. In the end they found that a single-door 9.2 cubic feet freezer would just fit under a group of wall cupboards.

Having got it she stood there admiring it for three weeks wondering what to do with it. She then started switching it on and learned the hard way what not to do. She learned not to buy too much of one thing—this is always very tempting for the beginner. She once bought a great load of meat from a wholesaler at Smithfields and by the time she'd tried to hack it into manageable portions for herself and two lots of friends she found she couldn't face meat for at least a week. She also once bought 20 lbs of prawns and found she couldn't face them for some time to come.

She also learned not to ruin everything by blanching it and not to fill the freezer with prepared expensive frozen dishes from supermarkets. She found that she needed double the time for thawing that most of the freezer books advise.

She has found that, on the whole, for her a freezer is invaluable. A typical week might include at least two days of leaving home at 6.50 in the morning and returning home long after normal office hours. In between Angela likes to entertain and a freezer helps enormously. She finds it most useful for meat, fish, vegetables and bread for the weeks when she doesn't manage to get near a shop. She also always cooks double quantities for dinner-parties, eating one lot fairly quickly, freezing the other half.

She uses left-overs of stocks, soups and stews which can then be used to liven up all sorts of other things. She keeps instant herbs, ready frozen, in the freezer door and she finds it marvellous for starters and puddings—things like home-made pâtés and mousses.

Last week she produced her first dinner-party catered for entirely from the freezer. She got home at 6.45 and at 7.30 guests arrived and the meal they sat down to was a duck pâté (served with fresh radishes and olives), chicken creole, braised celery (cooked fresh) and rice, followed by a chestnut mousse.

She feels that a great deal of unnecessary fuss is made over packaging. She uses tin-foil, heavy-weight plastic bags and keeps all yoghourt and cottage cheese cartons for re-using in the freezer. For cooked dishes like a casserole she lines the dish it will eventually be served in with foil, puts the food in it, freezes it and then removes the foil-wrapped food, ready-frozen. When the time comes to re-heat it, it is the right shape for the serving dish. She found soup a difficulty initially but she has since bought tall rectangular containers which she finds are the best for holding large quantities of liquids.

She thinks the best book on the subject is Deep Freeze Cookery by Marika Hanbury-Tenison, published by Pan Books, 60p.

But above all the reason she likes her freezer is that it enables her "to take on the semblance of a reasonably organised housewife, while in reality I am far from it."

DR. ERICA HIGGENS seems just the sort of person for whom freezers were invented. She works full time as a doctor and has three grown-up daughters away in London all week but descending on her frequently at week-ends with boyfriends or husbands. She often finds herself catering for 12 people from Friday to Sunday. She does quite a lot of impromptu entertaining but doesn't go in for formal dinner parties.

She bought the freezer as soon as she had the £100 odd to spare as she was wise enough to realise that she wouldn't want to have to justify that sum by proving that she could make large savings on food.

She uses the freezer mostly as a means of buying in bulk. Though she reckons it does save her some money, its main value to her is that it saves her time. She scans the local papers to see who is offering what and buys beef by the forequarter, whole lambs, and so on.

These come jointed by the butcher and it is often possible to arrange for him to deliver. She guesses that her meat costs her less than 30p per lb by shopping this way.

She does feel that this method of buying is more demanding than other methods—you have to be able to cook intelligently, to be able to make the best use of the cheaper cuts of meat. For instance, she has a super recipe for brisket of beef which is delicious and doesn't taste cheap.

She also buys things like peas in bulk packs from the freezer centre and she keeps emergency supplies of catering packs of chicken fricassee, shepherds' pie and so on. A sister in Scotland sends her salmon, grouse and pheasant from time to time which are also consigned to the freezer.

She only shops once a week, which is a great saving in time. She finds the major problem is thinking sufficiently far ahead so that things are taken from the freezer in time to thaw. She has learned that it isn't the total answer to unexpected guests as if somebody turns up at 7 o'clock nothing in the freezer could be ready to eat for hours. She's also learned to be careful when bulk buying as when she bought half a pig she discovered she was getting half the head which she didn't want, couldn't use but was stuck with.

She bought a Philips 13 cu. feet freezer simply because it was the right shape but she has since found it was a good buy—it's very reliable and the servicing is marvellous.

She has found that much of the fancy-stuff recommended as packaging isn't necessary. For her needs she finds clear polythene bags and sticky labels are quite sufficient. She has also found that it is more sensible to freeze in smaller rather than larger parcels—two can always be put together but it's impossible to halve a solidly frozen large pack.

MR. AND MRS. GUY live in Tiverton, Devon, and they have two children. Mrs. Guy is studying for a degree in social sciences with the Open University and they have had their freezer for about four years. They bought it from Curry's, because that is where they always buy their electrical appliances and because their after-sales service is reliable.

The Zoppas 12.5 cu. feet chest freezer seemed to be the right size and price but now she wishes she had bought a bigger one and she advises anybody buying their first freezer to buy one much bigger than they think they want.

She bought hers to save both time and money. She says that at first she probably did save money but fairly soon they were spending the same amount of money but eating a lot better for it. She thinks also that it is probable that her food bills haven't risen as rapidly as those of her non-freezer owning friends. She tried bulk-buying meat but decided it wasn't worth it due to wasting all the unwanted parts of half a pig or whatever. She does buy 10 lbs of mince or stewing steak at a time. She also buys frozen vegetables in bulk and freezes her own fruit and vegetables from the garden.

She uses the freezer most for baking and freezing pastries, pies, cakes and sponges. She finds sponges are very useful as they only take half an hour to thaw. She occasionally bakes her own bread and usually has at least half a dozen bought loaves in the freezer. Her husband helps out with the cubs so she often has big batches of sandwiches ready in the freezer.

She finds the freezer a boon for when relations descend on them for holidays, which is something that is liable to happen to you if you live in Devon.

She says it is possible to spend an awful lot of money on packaging and wrapping and she has found it unnecessary. She uses foil, plastic Snappies bags, and foil tins (which are reusable) for pies.

She found the most useful book from her point of view was the one supplied with the freezer.

MR. EDRIC BLACK is on the face of it not in need of a freezer. He is a retired single gentleman living in Monifieth in Scotland and he decided he needed a freezer because he was some way from the shops and what with the price of petrol he didn't want to have to use the car too often for drives to the shops.

He bought his Tricity chest freezer, with some 8 or 9 cubic feet capacity, about nine months ago. There was a "flap on" when he bought his and it was one of only three freezers available at the time. It happened to fit into his garage very well and he has been very happy with it.

Since he bought it he only shops once a month, buying meat ready-packaged into convenient portions like chops, joints and so on. He also freezes vegetables, often bought fresh from the greengrocer. He has had good results with cauliflower and strawberries but finds peas are much better if commercially frozen. Also, being quite close to the coast, he freezes a lot of fish.

For packaging he uses margarine tubs and gallon ice cream cartons, as well as polythene bags and foil—he finds that's all he needs.

He has two books—All About Home Freezing by Audrey Ellis which he finds very useful indeed and Deep Freezing at Home by F. D. Smith and B. Wilcox.

"

Leonard Burt

A SELECTION of simple, homely but exceedingly attractive kitchenware from Liberty's always very interesting Home Ideas department. At the moment the department has a display of a Victorian-type kitchen around which a wide variety of kitchenware is arranged. The soup container can be put in the oven, thus ensuring that the soup really is "good and hot." The dish for the rice pudding carries instructions suited to the size of dish and the bread board is made from the same stone-coloured earthenware as the rest of the range. The soup container is £3.10, the rice pudding dish, £1.45, the bread board, £2.95. *Liberty's exact address is* Liberty and Company, Regent Street, London, W.1, and they will send by mail.

Property and housing

A more flexible approach

BY JOE RENNISON

A MORE FLEXIBLE and more easily adaptable approach to the housing problem has never been more needed. This applies not only to the number of houses we should be building or converting but also to the kind of housing that is provided.

If I might quote some of the statements of the Secretary of State for the Environment, Mr. Anthony Crosland, who is in overall charge of housing policy, it might give some indication of official concern and what it is hoped to achieve. "The whole (machinery) should be directed to and subordinate to one end: providing what people need and *providing it quickly* . . . I welcome ideas from experts in this field. . . . What is needed now is a much larger number of small houses and flats suitable for small households of all ages. This means among other things building at higher densities in the private sector. . . . Besides new building we need to pursue the possibilities of converting larger older properties into smaller units . . . a large number of improvements are possible within existing resources and any improvements, however marginal, are worth having." A return to the era of "prefabs" which Mr. Crosland mentioned in a speech last year, but was *misunderstood and regretted* by him, can now be taken as irrelevant to any solution.

These remarks emphasise the need to provide the right accommodation at the right time in the right place. If all the "dwelling units," as official terminology calls them, in the country were so placed there would be no housing problem.

Exhortations are all very well but the slow reaction of the house building industry is notorious. Public and private sectors are both at fault, the former probably more than the latter. It has a fixed programme it hopes to achieve at a certain cost (although that is often doubtful) and once a set pattern is fixed it takes a long time to change. Change in the private sector is very often ruled out by market conditions when times are bad and even in the best of times fundamental changes are a dubious proposition for fear that the new concept might not go down well with the public or the building societies. That is not to say there are not plenty of individual designs but they tend to be variations on a well tried theme.

In recent articles I have shown how a couple of companies are *trying* to introduce a new approach in one case to design and in the other to the *problem of smoothing out the* swings from famine to boom and back again. This week I propose to concentrate upon some examples of a more flexible approach to the kind of accommodation that is provided. All are in themselves mere straws in the wind but hopefully point to that more flexible approach that is needed and can be achieved if building companies really did their *homework*.

Mr. Alan Perrin, managing director of Link Homes of Brentwood admits that in 1973 the company had a good year but that 1974 was "disastrous." A not unfamiliar tale: like many other companies Link was caught by the recession in sales and thus in new building. Indeed, the company built virtually nothing in 1974 but simply sat tight in an attempt to weather the storm.

Some fundamental rethinking was necessary if the uncertainties of 1975 and afterwards were to be faced with confidence. Mr. Perrin admits that as developers *they had been like sheep following* the rest and building "the usual thing" which was snapped up in the boom market. There was no need to think beyond the fact that the houses were *selling*. No doubt the company could have carried on building "the usual thing" but a new approach seemed to be needed if sales were to move more quickly.

This meant researching the market to find what Mr. Perrin calls the voids that had not been catered for — such as homes which would fulfil the specialist needs of certain sections of the community. The first idea, which Link is now working on, is houses with "granny flats." The idea of a "granny flat" is not new but has usually come as an afterthought: in this case the approach has been more fundamental with two completely self-contained units in one building, the smaller of which can be used for other purposes than accommodating granny.

But it was the problem of looking after elderly members of one's family that brought the idea to fruition. If grandparents move in with a family they often feel that they are a nuisance and cannot find a quiet corner where they can escape when necessary.

The same situation occurs when teenagers begin to spread their wings and feel the constraint of living with their parents. Parents for their part, are worried if the children decide to go off elsewhere: the sibling might be tempted to remain at home until he is more mature if he had accommodation of his own.

Mr. Perrin feels that they have found a solution in a small development now under way in Hornchurch and which if it is a success will be extended. In each of the houses Link is providing a normal size three-bedroom house and a self-contained ground floor apartment consisting of a large bedsitting room, kitchen, and bathroom. The idea is that the lower unit can either be incorporated into the house as to provide a large two-bathroom home or can remain as a self-contained flat.

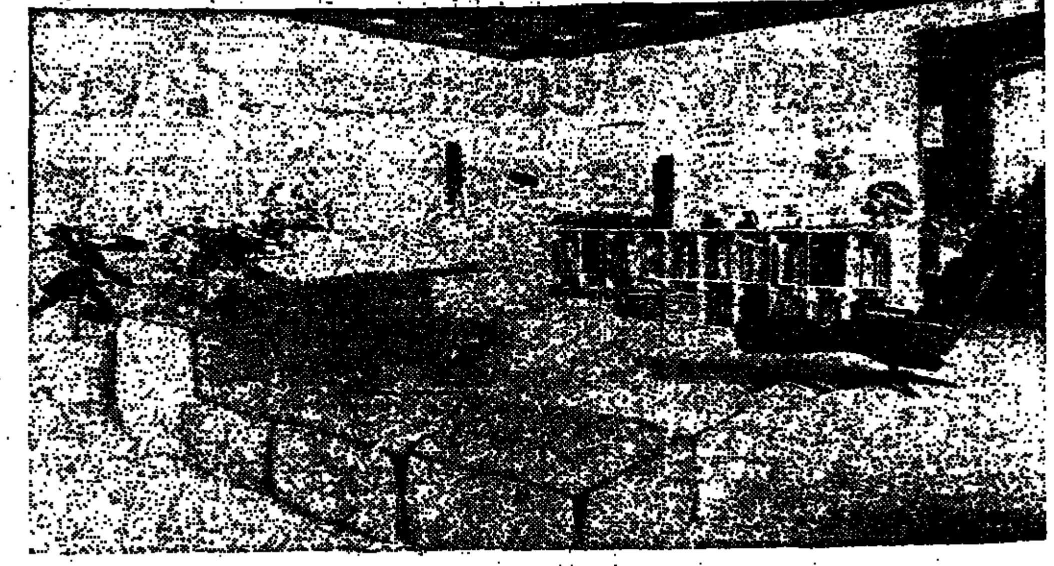
Thus two self-contained houses can be obtained for the price of one. Together they will sell for just under £24,000. Mr. Perrin reckons that if the two units had been built separately side by side the cost would have been £5,000 to £6,000 more. A show house is now available for inspection.

Apart from providing accommodation for grandparents, the au pair, or a friend, the flat can offer a distinct economic advantage. If grandparents do decide to move in, the sale of their house could go a long way to meeting the cost of the new house. Similarly a lodger could be installed to help pay off the mortgage. (It would be necessary to make careful arrangements under the Rent Acts so that possession can be regained when wanted.) A building society spokesman said that it was "feasible" that two separate mortgages could be arranged if the conditions were right.

Another scheme that Link is working on is the provision of what the Americans call "*empty nesters.*" These are small two-bedroom units for those who have been used to a much larger house but whose family has flown and feel that a large house is too much for them. The smaller units are built to a high standard so the residents will not feel that they are appearing to come down in the world. These will be built on small sites in existing neighbourhoods so that when *people move they do not lose* familiar surroundings and neighbours.

Other ideas include the provision of a certain number of homes aimed at the handicapped and the conversion of a large mansion into flats for those who like community living but want their own self-contained unit.

These ideas were all triggered off by commercial necessity but they illustrate the flexibility of approach which now seems to be needed. If only this were being done on a much wider scale throughout the country.

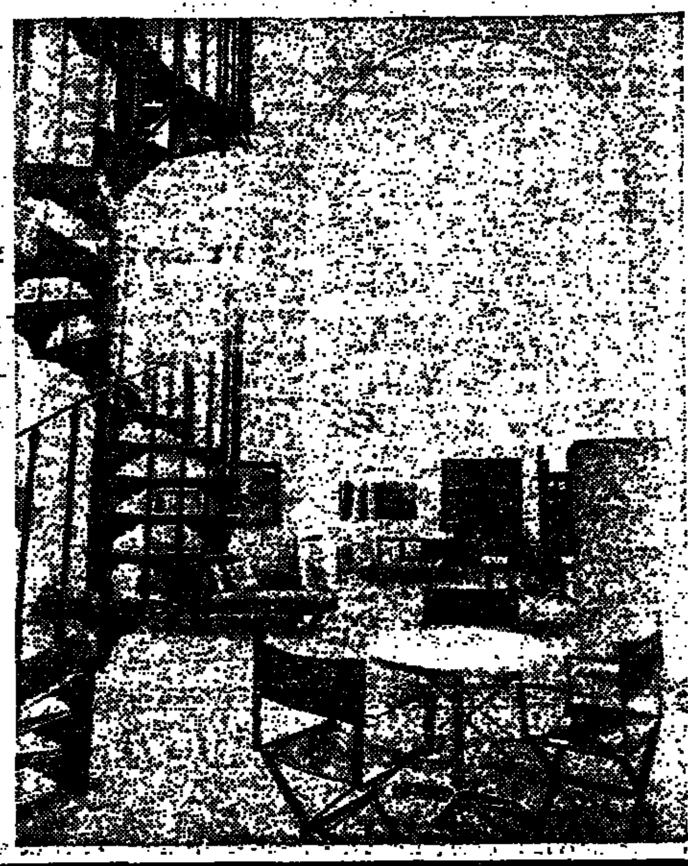


It must be something of an encumbrance or an embarrassment to find that one owns a house "worth" between £½m. and £1m. which needs to be sold in these uncertain times. I say "worth" since in this category of property it is extremely difficult to even guess at the possible true value of such houses when prices are tumbling and buyers are thin on the ground. But there are still some optimists left in this world. Domain Country Estates was formed last November for the express purpose of finding buyers for such properties. According to managing director Brian Harvey the "name of the game is *individuality and exclusivity*."

They intend to concentrate on only the most expensive properties in the land. The market they are looking to is that of the oil baron, the pop star or the mere run-of-the-mill millionaire.

They make no pretensions about providing a professional service as far as surveying or valuation are concerned. Others would be called in for this purpose. Their speciality is the marketing of such properties. To this purpose they provide a service they themselves describe as "expensive" in providing glossy brochures and advertising and marketing promotion internationally.

One of the properties they have at present on their books is this unusual house (above and below) in St. Johns Wood. Formerly a church it has been converted into a studio for its artist owner plus extensive other *accommodation. Accommodation* includes the enormous studio, large reception areas and seven bedrooms. The price is £325,000 but it is suggested that £300,000 would be acceptable. It is better to travel hopefully. . . .



PROPERTY ALSO APPEARS TODAY ON PAGE 5

OVERSEAS NEWS

French inflation rate rises as franc declines suddenly

BY RUPERT CORNWELL

PARIS, May 30.

THE FIRST tentative hopes of recovery in France have coincided with a worrying quickening of inflation—a major factor in the sudden decline of the French franc on world exchange markets in the last 48 hours.

The retail price index for April shows an increase of 0.9 per cent.; admittedly only fractionally higher than the 0.8 per cent. registered in February and March, but well above the 0.5 to 0.6 per cent. range that seemed possible and which the authorities were hoping for.

For the first four months of the year the rise has therefore been 3.6 per cent., and over the past 12 as much as 12.7 per cent. The Government's target of only an 8 per cent. inflation for the whole of 1975 now looks increasingly improbable.

To-night the Finance Minister, M. Jean-Pierre Fourcade, announced that new measures to control prices would be decided next Tuesday in an effort to bring the annual rate of inflation below 10 per cent. Exactly what he has in mind is not clear yet. However, the most common view here is that a further tightening of retail and other service industry margins is on the cards.

The spurt in retail prices is also felt to be one of the main factors behind the somewhat surprising weakness of the franc. Since Wednesday, the currency has lost 2 per cent. against the dollar, and 1 per cent. against the D-Mark, partly on profit-taking after the recent strong advance, but partly undoubtedly from the market's suspicion that perhaps the economic recovery of France is not as complete as hoped.

The news of a slightly more *cheerful industrial picture* is contained in the latest survey by the official statistics Institute (INSEE). On the basis of interviews with 2,000 leading French businessmen, INSEE reports that *despite the generally gloomy* climate, demand seems to be picking up slightly and stocks in hand starting to decline.

"The pre-conditions for an upturn are there," the Institute writes and notes a forecast improvement in electronics and capital goods output as well as a slight rise in car industry orders.

U.S. Federal budget deficit bigger than anticipated

BY GUY DE JONQUIERES

WASHINGTON, May 30.

THE AVERAGE U.S. unemployment rate this year will be higher than expected and will fall only slightly during 1976, while the prospective deficit on the new Federal Budget will be substantially bigger than anticipated only three months ago.

These disappointing forecasts were issued by President Ford's *senior economic advisors* to-day in a revision of his February Budget message. They clearly suggest that, despite recent signs that the recession is bottoming out, the Administration is now *less sanguine* about the strength and speed of the anticipated economic recovery.

The Administration's predictions on inflation are somewhat les gloomy, calling for an average increase in retail prices of 9.1 per cent. this year and 7.1 per cent. next year. This compares with rates of 11.3 per cent. for 1975 and 7.8 per cent. in 1976 *projected at the start of this* year.

But in political terms, the overall outlook is less than encouraging for President Ford, implying that he will have to campaign against a background of high unemployment if he chooses to run for a second term as President next year.

The forecast for the average unemployment rate for this year has been increased from 8.1 per cent. to 8.7 per cent., only a fraction below the April rate of 8.9 per cent. Next year, the average rate will decline to only 7.9 per cent., according to the *Administration's estimates*, indicating that about 7m. people will be unemployed.

The Administration economists now anticipate that the Budget deficit in fiscal 1976, which begins on July 1, will soar to $60bn. This is almost $8bn. higher than originally forecast. Moreover, unless Congress acts on President Ford's proposed exenditure cuts the deficit will rise to about $68.5bn., $8.5bn. over the level above which Mr. Ford has said that he will veto any new expenditure bills.

Treasury gold auction

BY GUY DE JONQUIERES

WASHINGTON, May 30.

THE U.S. Treasury announced to-day that it will put up a further 500,000 ounces of gold for auction on June 30. The auction is the second this year and may be followed by others in the coming months, Treasury officials said.

Mr. Jack Bennett, Under-Secretary of the Treasury, said that the reason for the auction was a rise in U.S. gold imports in recent months. During the past six months, the Treasury estimates that about 700,000 ounces of imported gold have flowed into the U.S. market in addition to the 754,000 ounces sold by the Treasury last January.

The Treasury calculates that, unless it sells gold from the national stockpile, gold imports during the remainder of 1975 may amount to as much as 2.5m. ounces in bullion plus a further 1m. ounces in the form of gold coins. The June 30 sale will be a "Dutch auction," at which all successful bidders will pay the same price, that of the lowest accepted bid.

Russian 'Concorde' shown off

BY MICHAEL DONNE

PARIS, May 30.

THE SOVIET Union has overcome its earlier difficulties with the TU-144 supersonic airliner, and the aircraft is now in full production with a view to first deliveries to Aeroflot, the Soviet civil airline, later this year and services starting early in 1976—broadly comparable with the programme planned for the rival Anglo-French Concorde.

Mr. Alexei Tupolev, the designer of the TU-144, making one of his rare appearances in the *West to visit the Paris International* Air Show said that so far the Soviet Union had built eight of the aircraft. Mr. Tupolev added that another 12 were in production, making 20 currently authorised by the Soviet Government—apart from two static and fatigue test aircraft. This makes a total of 22 models, exactly matching the Concorde figure which includes 16 production aircraft in addition to two prototypes, two pre-production aircraft and two test specimens.

So far he said that the TU-144 had logged over 1,000 flights in its test programme, which he claimed was running smoothly despite the crash which destroyed a TU-144 at the Paris air show in 1973. He made it clear, *however, that there had been* some improvements to the design and although he declined to specify these in detail, one that Western observers detect is an emergency crew escape door just aft of the pilot's cockpit.

Mr. Tupolev was, nevertheless, clearly anxious to talk about his aircraft, in marked contrast to past occasions when all Western *Press queries have been met with* blank stares. To-day he escorted the Press to the aircraft, and enthusiastically showed us round it. The 140-seat cabin interior appears slightly larger than that of Concorde, and it is sumptuously furnished in walnut panelling and expensively em*broidered cloth, with a first class* lounge comparable in comfort to that of an executive jet, while the five-abreast seating in the tourist compartment is more comfortable than that customarily found in Western airliners.

Vietnam reunification 'far off'

SAIGON, May 30.

GOVERNMENT sources say that North and South Vietnamese officials have agreed in top level meetings that political reunification of *Vietnam* is at least five years away.

The three-week meeting on the future of Vietnam has produced total agreement on all major points of discussion, including making Saigon a free market city while introducing socialism to the rest of the nation, the sources said. They said that most senior Hanoi officials have now returned to North Vietnam following the intensive technical meetings on matters ranging from culture to South Vietnamese elections.

UPI

STOCKHOLM: North and South Vietnam plan to make separate applications for membership to the United Nations, reliable diplomatic sources told the Swedish news agency here.

Reuter

Haw Par asks for Singapore re-listing

By Our Own Correspondent

SINGAPORE, May 30.

HAW PAR Brothers International to-day requested the Stock Exchange of Singapore to re-list its shares following its *detailed reply to queries made* by the general manager of the stock exchange yesterday.

The stock exchange yesterday in a lengthy letter to Haw Par took the company to task over its share-swap deal with Pernas Securities. According to the stock exchange—which interpreted the deal as a reverse takeover of Haw Par by the Malaysian company—Pernas has not only gained control of Haw Par but also made a paper profit of S$54.6m.

In its reply to the Stock *Exchange letter to-day, Haw Par* emphasised that the transaction is not a reverse takeover but a partnership of existing Singapore interests and new Malaysian interests.

Haw Par also stated that the deal will enhance Singapore as a major securities industry centre and enable Singapore and foreign investors, through Singapore, to share in developing the tin mining industry in Malaysia.

Constitution for Anguilla

ANGUILLA, the tiny Caribbean island is to have a new constitution, the Foreign Office announced in London yesterday.

This follows years of dispute between Anguilla and the neighbouring islands of St. Kitts and *Nevis, which were linked by* Britain as an associated state.

The Foreign Office said that the new arrangement would fall short of formal separation for Anguilla, but that Anguilla has effectively obtained most of its demands.

Belgian defence chief to U.S.

THE BELGIAN Defence Miinster, Paul van den Boeynants flies to Washington to-day to seek details from Defence Secretary James Schlesinger on the General Dynamics YF-16 being offered to Belgium and three of its Nato allies. The other three *buyer nations—Holland, Norway* and Denmark—have said they will buy the YF-16 if Belgium does, in preference to the French Mirage F-1.

SALT RESUMPTION

THE UNITED States and the Soviet Union have agreed to resume the Geneva Strategic Arms Limitation Talks (SALT) on June 23, the State Department has announced.

ITALIAN RATE CUT

THE ITALIAN Banking Association (Assobancaria) has said that its executive committee decided to lower the 15 per cent. Italian prime lending rate in *force since May 1 to 14 per cent.* The effective date of the measure was not immediately stated.

LISBON TALKS

Socialist party ministers in the coalition cabinet to-night met Portugal's supreme Revolutionary Council to discuss whether their party would remain in the government.

Secretary-General Mario Soares and the Justice Minister went to the Presidential palace.

BEIRUT CLASHES

RENEWED fighting flared across the centre of Beirut yesterday as security forces battled snipers in an effort to end 11 days of *urban warfare between Lebanese* Phalangists and Palestinian guerillas.

SUEZ APPEAL

EGYPT has appealed to shipping insurers not to impose a war hazards premium for vessels using the Suez Canal. There is no justification for such a premium, according to the Suez Canal authority, which has declared that the waterway is now completely clear of mines and other explosive objects.

U.S.-EEC pledge to avoid further trade disputes

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, May 30.

THE U.S. and the EEC to-day agreed to try to avoid further transatlantic trade disputes while negotiations are under way to create a new world trade order in the so-called "Tokyo round."

In two days of EEC-U.S. economic consultations here, the European Commission repeatedly stressed the need to avoid further incidents like the "cheese war," which ended in a Community climb-down last month under the threat of American countervailing duties. Sir Christopher Soames, Commission Vice-President for External Relations and leader of the Community delegation at the talks, told the Americans that the cheese war had "*left a scar*" in Europe.

Mr. Charles Robinson, Under-Secretary for Economic Affairs, who led the American team, was unable to give an explicit undertaking that the U.S. would never again impose countervailing duties, which are required by American law against subsidised imports. He agreed, however, that consultations between the two sides could help to defuse such problems in the future.

The Community is particularly worried at the possibility of pressure on Washington from U.S. industry to impose countervailing duties on Community exports of steel and float glass. The American steel industry has recently complained that VAT rebates on Community steel exports constitute subsidies and the U.S. glass industry has attacked regional aids to EEC *float glass producers*, particularly in the U.K. and Belgium. The Commission is not only concerned about the two specific industries in question: it is also afraid that the imposition of countervailing duties could *set* important precedents: It would auger ill for the Community's regional policy, for instance, if the receipt of regional aid were to make an industry liable to retaliation from the U.S.

The Community would also like to see changes in the U.S. law *which provides for countervailing* duties as soon as the existence of subsidies has been established, without needing to prove that domestic competitors have been damaged. Under GATT rules, all other countries must establish damage to their industries before duties can be imposed, and the Community wants a full review of the situation during the multilateral trade negotiations.

The U.S. delegation, for its part, expressed some concern over the Community's plans to negotiate a new economic co-operation agreement with Canada. However,

Regional Fund grants soon

BY DAVID CURRY

BRUSSELS, May 30.

THE COMMON Market Regional Fund, for long seen by Britain as the essential offset arrangement to her financial contributions to the Community's agricultural policy budget, is at last about to begin its formal career.

Mr. George Thomson, Commissioner-in-Charge of Regional Affairs, this week outlined to the Commission the time-table for the Fund. He said he expects applications to be received for *the first batch of grants by the* end of July. These will be processed during October and the first cash grants will be made before the end of the year.

The Fund got the go-ahead at the Community summit meeting in Paris last December when it was decided to allocate 1.3m. units of account for an experimental period of three years starting in 1975. A detailed division of the proceeds was also worked out, under which the three major claiments would be Italy (receiving 40 per cent.), the U.K. (28 per cent.) and France (15 per cent). Ireland, which along with Britain and Italy was one of the countries pressing hardest for the establishment of a *Regional Fund, was to receive* 6 per cent.

For 1975 the present Regional Fund budget as voted by the European Parliament provides for some 150m. units of account available for immediate expenditure and some 150m. held in reserve. The Commission argues that it is very unlikely to spend as much as 150m. units in the *first year though it may well* commit itself to expenditure on programmes which will eventually exceed this amount.

The administrative structure of the Fund will begin to take shape on June 18 and 19 when the management committee — which is supplied by the commission—will meet basically to discuss procedure. At the end of June, the Regional Policy Committee—which is composed of representatives of the member-countries together with senior Commission officials—will have its inaugural session.

The Fund is designed to support industrial and infrastructure investment by increasing the total aid available for regional projects in the Community. It is intended as an addition to national initiatives and not a substitute for them, and the Commission is making it clear that the launching of *the Fund implies no interference* with national policies which will continue to take the form thought best by each Government. The essential requirement is only that the projects for which aid is sought should be part of overall development schemes.

S. Africa bans aid to Christian Institute

By John Stewart

CAPETOWN, May 30.

THE CHRISTIAN Institute of South Africa to-day became the second organisation to fall foul of the authorities as a result of the findings of the Schlebusch/Le Grange commis*sion of inquiry* "into certain organisations."

Earlier this week the commission found that certain activities of the Christian Institute constituted a danger to *the security of the state*, and to-day the Minister of Police announced that it had been declared an "affected organisation" in terms of an Act passed last year. Last year the National *Union of South African* Students (NUSAS) suffered a similar fate.

The effect of such executive action is that an "affected organisation" is forbidden to receive funds from foreign sources, while funds in hand, derived from abroad, are frozen. The Christian Institute received substantial financial support from the World Council of Churches.

The Schlebusch report found that between 1971 and 1973 between 85 and 91 per cent. of the institute's budget which *now amounts to R500,000* a year came from abroad.

By the 1974 Act, an affected organisation or its office-bearers may not ask or canvass for money from abroad on behalf of the organisation.

UN debate on Namibia

By Our Own Correspondent

UNITED NATIONS, May 30.

PROPOSALS that the U.N. Security Council order all states *to impose economic sanctions* and an arms embargo against South Africa, and break all official relations with the republic, were being canvassed to-night as the Council resumed debate on the South West Africa (Namibia) question.

Collecting wisely

Diaghilev and comic cuts

BY JANET MARSH

JUST AS some of us suffer from the pathological compulsion to collect things, there are people who are obsessively driven to document and record—which is just as well, because it is the only way history gets written. One such person, by happy chance, was Sergei Leonidovich Grigoriev, who was *régisseur* of the Diaghilev ballet company from its inception for the Paris season of 1909 to the death of Diaghilev, 20 years later.

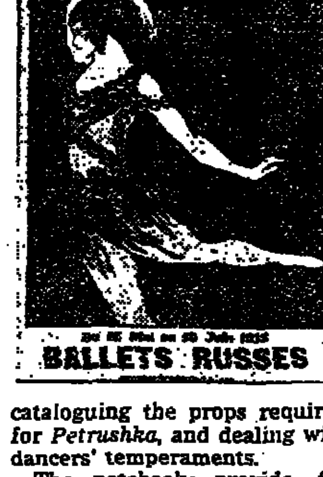
In a series of nondescript black exercise books, Grigoriev noted everything as it happened, writing in a neat cyrillic hand, interspersed with drawings, diagrams, plans, code signs, exclamation and interrogation marks. So aware was he of the importance of the record he was making that when the book covering the years 1924 to 1929 was lost ("stolen from me at Buenos Aires station, the trunk in which it was packed was lost") Grigoriev painstakingly reconstructed it from programmes and other notes. The Diaghilev series of notebooks ended with the entry following the performance of August 4, 1929: "This was the last performance of S. P. Diaghilev's company as on August 19, Sergei Pavlovich died in Venice and his enterprise came to an end."

But the compulsive recorder continued throughout his 20 years with Colonel de Basil's Ballets Russes de Monte Carlo (even though yet another book was stolen in Spain in 1947). After the final failure of the De Basil Ballets early in 1952, Grigoriev was responsible for the recreation of some of the Diaghilev repertory at Covent Garden, though there is no evidence whether he kept the same detailed records of his activity there as in the days when he had been principal *régisseur*.

In 1953 the invaluable notebooks provided the basis for Grigoriev's published journals of the adventures of the Diaghilev company. Seven years ago Grigoriev himself died at the age 85, and his notebooks are now to be sold by Sotheby's in a sale of Ballet and Theatre Material, on Thursday, June 5.

The series now begins only with 1915, so there is no record of the first company which went to Paris in 1909, and whose recruitment Grigoriev's memoirs describe in such laconic terms: he was responsible for arranging affairs as mundane as contracts with creatures of legend like Nijinski, Pavlova, Ida Rubinstein, and Fokine.

The legend must, of course, have evaporated pretty fast if you were responsible (as the notebooks show Grigoriev to have been) for getting them on and off trains, timing rehearsals,



cataloguing the props required for *Petrushka*, and dealing with dancers' temperaments.

The notebooks provide, for example, fascinating glimpses of the last stormy days of the disturbed Nijinski with the company. In his meticulous way Grigoriev has subsequently pasted between the pages of the journal for 1917, eight pages listing performances given by "The Big Company . . . without S. P. Diaghilev and S. L. Grigoriev . . . under the direction of Kremnev and Kostetski." The explanation of this is that the suspicious Nijinski had insisted that Diaghilev and Grigoriev abdicate in his favour as a condition of his dancing on an American tour.

Things became worse on the succeeding South American tour—with Diaghilev and Grigoriev now back in control—and it is understandable that Grigoriev marked Nijinski performances with a large red N. They were clearly unnerving, with the dancer making no attempt to hide his animosity: "He would suddenly inform me that he could not remember a part he was about to dance . . . or he would refuse to be lowered through the trap-door . . . but would lie on the stage saying he was frightened in case I should give the wrong signal so that he would fall through and be killed." Nijinski even hired a body-guard to protect him from imaginary attacks by Diaghilev and Grigoriev. . .

In later years Grigoriev could look back with pity: at the time it was not so easy. "Nijinski is making fools of us," the diaries comment tersely, as the N's begin to be only faintly pencilled or qualified with question-marks. "Watching him from the wings," Grigoriev later recalled, "(I) tried to impress on my memory for the future a picture of his incomparable dancing, in which even now he seemed able to lose himself and find solace for his distress. I was loth to believe that I might never see such dancing again, and that his meteor-like career was drawing to a close. . . . The last time Nijinski ever danced was at Buenos Aires on September 26, 1917, in two ballets that seemed symbolical of his tragic end—*Le Spectre de la Rose* in which he sprang out of the window never to return, and *Petrushka*, in which he was slain, for ever, by the cruel Moor."

There are glimpses of the more mundane troubles that dogged the tours of the Russian ballet—the hazards of war-time sea travel, difficulties with rascally impresarios, fires, Sir Oswald Stoll's sequestration of the scenery and costumes when Diaghilev's sumptuous *Sleeping Princess* failed to cover its costs. These unglamorous little notebook's provide an incomparable record of an incomparable theatre phenomenon.

You never can tell what will appear in the saleroom next. The week after the Ballet and Theatre Material sale (which also includes fine bronzes of dancers, designs and Cocteau's posters for the Diaghilev 1913 Paris season), Sotheby's are to sell a big collection of pre-war comics in a huge four-day sale of children's books. The comics include *Rainbow*, *Bubbles*, *Chick's Own*, *Film Fun*, *Radio Fun* and latterday issues of the historic *Comic Cuts*, and were collected by W. Radford, a comic-strip artist who contributed to them. A world away from Diaghilev; but there are collectors for everything.

The Arts

Alfred Stevens

BY WILLIAM FEAVER

The exhibits at the Crystal Palace are generally assumed to have been resplendently excessive, a parade of vulgarities in a magnificent building. But, as a glance through the 1851 exhibition catalogue reveals, there was, in fact, an endless variety of objects on show; and many of the designs that roused the scorn of those who evolved different ideas about style and taste have now come back into favour. A prime example must be Hoole and Co.'s *Hot Air Stove*. It stood like a proud reliquary among the cast-iron goods. Without a fire in its belly it must have looked a bit dead and useless, but it won high praise, and its designer, Alfred Stevens, was marked as a man to watch in the fledgling art of industrial design.

Stevens did a whole range of stoves and grates for Hoole and Co., some of them cheap, others thoroughly luxury items, and he designed knives, silverware candlesticks and street lamps, as well as for other firms or for his private satisfaction. Some of these now appear in the V&A, which is just the place for an Alfred Stevens celebration. For he was the sort of artist-sculptor, applied-artist, designer, draughtsman the museum was founded to cater for. Besides which he designed the décor of the original Refreshment Room there. This is being restored and reopened as a further mark of recognition of the centenary of his death.

This is obviously the most fitting way to do Stevens justice. Because an exhibition alone is little more than a set of hints as to the range and quality of his achievement. We are taken through scheme after scheme, one running jump at the Ideal after another. There is much to respect, rather little to admire. Part of the reason for this lies in Stevens' circumstances. He struggled his way up, had to rely on odd bits of teaching in the Government Design School in Somerset House and, later, on commissions from industry. None of these need have harmed his work or output. Indeed, the way he faced up to the problems of establishing design standards in education and manufacture was extremely important. He was, it appeared, an artist who wanted to promote use and beauty in the market place as opposed to the ivory towers of Bohemia.

However, it didn't quite work out that way. Stevens won two major jobs: the dining room decorations of Dorchester House, the mid-19th century equivalent to a Medici palace, and the monument to the Duke of Wellington in St. Paul's. He didn't actually win that one: he came fifth in the first instance, but was prepared to do the job cut-price and so got taken on.

He started work on both projects in 1856. Both were unfinished when he died 18 years later. Heroic delay goes hand-in-glove with high ambition and so Stevens' failure to get things done was only to be expected. All the same the time and energy these commissions cost him inevitably undermined his wider achievements. Robert Holford, who owned Dorchester House, suffered for want of a dining-room and no matter how splendid (and costly) his chimney-piece proved to be, felt dissatisfied.

As for the Wellington monument, like all such things it was no sooner completed (in 1912) than outdated. For by then it was getting on for time for the Cenotaph.

Yet look again at it in St. Paul's, and the magnificence of Stevens' design is undeniable. The monument rises until it almost hits Sir Christopher Wren's nave arch. The Duke, in bronze, lies far below the crowning version of himself on horseback, acknowledging military applause. Figures of Truth and Valour perch on the middle stage. The rest is all classical architectural details and battle honours. In the exhibition the effigy of Wellington, a full-size model, appears far more intimate and approachable than the final version in St. Paul's. This, like the other purely sculptural bits of the architectural whole, is one of the few great feats of British sculpture in the 19th century. It remains unsatisfactory largely because of the immense, conscientiously overblown context built around it.

This is true of most of Stevens' work. Occasionally a portrait (Mary Ann Collmann, for instance, from the Tate) sets a relaxed yet assured and telling note. For the rest earnest endeavour rules. It's no wonder Stevens was so admired. He was a good example, a fine teacher, an ever-ready learner. But looking at his ideas for improving on the inside of the dome of St. Paul's, at his worried-over schemes for stately dining-room ceilings, the heart sinks and the mind wanders.

There are points in this exhibition and in Susan Beattie's accompanying catalogue essay when Alfred Stevens emerges as a more than creditable artist. For the rest . . . Well, his design for the Honourable Mention certificate used at the 1862 International Exhibition, thoroughly nicely done, in irreproachable taste, could well serve as his own award.

Alfred Stevens is at the V&A until September 14.

Alfred Stevens: Competition model for the Wellington Monument.

A salute to gypsies

BY GEORGE OPPENHEIMER

Almost at the end of an unproductive and listless season off-Broadway, comes *A Chorus Line*, a smash musical that is scheduled to move to Broadway from Joseph Papp's Public Theatre. It is the best thing Papp has produced in the way of musicals since *Hair* and, for my money, it eclipses that production.

It has been conceived, choreographed and directed by Michael Bennett who, before becoming one of our major director-choreographers, was a chorus boy. This is his tribute to the "gypsies" as they are called, the boys and girls who work so hard and so well in our lavish musicals and who receive so little credit and attention.

Mr. Bennett has had the wisdom to entrust his idea to James Kirkwood and Nicholas Dante for the book, Marvin Hamlisch and Edward Kleban for the music and lyrics and they have all come through with flying colours. On a bare stage with mirrors and lighting to decorate it, a simple tale is told of dancers trying out for a forthcoming musical. There is a director who weeds them out from 17 to the required number of eight in a heartbreaking scene of elimination — heartbreaking because we have come to know these youngsters, their hopes and dreams, their struggles and rewards, their loves and lives.

The action is a beautifully integrated blend of dialogue, song and dance, innovative to a great extent and altogether entertaining. The dances, in particular, place Mr. Bennett in the first rank of choreographers. They are simple, as is everything else about the show, but they are exciting and lovely to look at. The cast is dressed in work clothes until the final number, when magically they change into spangled coats and high hats and go into a dance that brings down the house.

There is the story of a girl who has never reached stardom, but is willing to be in the chorus so as to keep working in the theatre; of a homosexual and his parents' reaction to his deviation; of a young couple who fall to make it and of others, told honestly, touchingly, comically and always entertainingly.

A Chorus Line has been previewing for weeks and has only just recently allowed the critics an opening night. The result has been a series of raves that bid fair to make this the outstanding musical of the season.

Another first-rate musical entertainment is *Rodgers and Hart*, done much in the style of *Cowardy Custard* and *Cole*. It contains almost a hundred songs and lyrics of Richard Rodgers, to my mind the best show composer of our times, and of Lorenz Hart, his witty and deft lyricist before he teamed up with Oscar Hammerstein, to create four or five of the greatest American musicals.

Again an attractive and talented group of singers and dancers has been assembled (there seems to be no end to the reservoir of talent available to-day) under the direction of Burt Shevelove and the lively choreography of Donald Saddler.

Papp has closed his season at Lincoln Center with two straight plays, *Little Black Sheep* by Anthony Scully and *The Taking of Miss Janie* by Ed Bullins. Scully's play is not alone bad but offensive. He has mixed the murder of Robert Kennedy into a tasteless farce about the Jesuits.

The action takes place in a Jesuit House of Study; the plot deals mainly with a denigration of the Jesuit group, as unpleasant a group of characters as we have had this season. There is the handsome and conceited stud who has seduced a nun from a nearby nunnery; a transvestite; a drunk; a young rebel who, after delivering a stream of filth, wisely leaves the order, and a Gauleiter male cook among others. The nun pursues her seducer to no avail, the cook and the rebel tangle, the play becomes more and more frenetic and less and less real or meaningful or entertaining. It has been directed by Edward Dayson Call almost as badly as it deserves.

The second play is a vast improvement. Ed Bullins, considered by many to be the best of the black playwrights, has always seemed to me vastly overrated. Now, however, he has done a play that, for me, justifies some of the swollen praise that has been given him.

According to Mr. Bullins, this is a sequel to *The Pig Pen*, which he foisted upon us some seasons ago. The only resemblance I found was that both plays include an integrated party of blacks and whites.

It deals mainly with the interrelations of white liberals and blacks, some of whom resent what they consider to be patronisation. Among them is a militant little fighting-cock who labels all whites devils; a white jazz musician; a black prostitute; a lesbian and, mainly, Miss Janie, a white girl who wants the friendship of Monty a black stud who in turn wants her body. Monty finally overcomes her repressions and practically rapes her (not with too much trouble, since she is far from virginal).

The play has humour and some drama, but is a long way from the masterwork that some believe it to be. At least it is the first and only Bullins play in which I have found some merit.

Theatres this week

CHICHESTER — *Enemy of the People*. A fizzing production of what is sometimes thought one of Ibsen's duller plays, but here puts on an interesting political glow. Fine performance by Donald Sinden as the so-called enemy. Opened Tuesday.

PHOENIX—*Diary of a Madame*. Solo performance by Miriam Karlin as Liselotte, wife of "Monsieur," Louis XIV's brother. Interesting material statically presented. Opened Tuesday.

THEATRE ROYAL, STRATFORD, E.15—*What a Crazy World*. Another of those sentimental good-old-Cockney shows. It's all been done before. Opened Wednesday.

THEATRE UPSTAIRS—*Echoes from a Concrete Canyon*. A more up-to-date glimpse of life in the lower depths, a flat-full of sad maniacs in a high-rise building estate. The material is good but too little is done with it. Opened Wednesday.

ALDWYCH—*Travesties*. Welcome revival of Tom Stoppard's hilarious piece about an old man's recollections of Joyce, Tzara and Lenin in wartime Zurich, with memorable performance by John Wood. Opened Thursday.

BUSH—Shepherd's Bush—*White Men Dancing*. Some obscure symbolism, sometimes enjoyable, sometimes not, with no very clear interpretation. Opened Thursday.

Menuhin at the Abbey

The Music Therapy Charity is holding an interdenominational Service of Dedication in Westminster Abbey on Tuesday, June 3, at 12.00. Princess Alice, Duchess of Gloucester, will be the guest of honour. The address will be given by the Dean of Winchester, The Very Rev. Michael Stancliffe. Yehudi Menuhin will play a Bach solo. The lessons will be read by Mrs. Jeremy Thorpe and Richard Baker, and there will be readings by the Countess of Bradford and Dame Anna Neagle.

The Music Therapy Project for severely retarded children is based on the experience of the American composer, Paul Nordoff, and the teacher, Clive Robbins.

It is estimated that there are 64,000 children in the U.K. who could benefit from this form of therapy.

HOME NEWS

SNP committed to backing Assembly proposal

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

PERTH, May 30.

AFTER SOME heart searching, the Scottish National Party yesterday committed itself to using the proposed elected Scottish Assembly as the vehicle for achieving self-government.

In endorsing this "gradualist" policy at its annual conference here, the party turned its back on its own traditionalists who suspect that the SNP will suffer if it is seen to co-operate with a Westminster-designed devolution package.

Mr. George Reid, MP, the party's spokesman on devolution, described the twin objectives.

The party's "clear goal" was the restoration of national sovereignty in Scotland and the withdrawal of all Scottish MPs from Westminster.

He added: "But we are also a democratic and gradualist party. The Scottish people may be sold half a loaf by London, but we as a party want to encourage them to go back for more."

He succeeded in winning a 423-191 vote from the conference in favour of a resolution from the leadership calling on the party to seek a majority of Assembly seats.

It continued that while the party would make a constructive contribution "in those limited areas of responsibility likely to be given to the assembly by the present Westminster Government," it would also work vigorously to extend the Assembly's powers until it became "a real Scottish Parliament."

The resolution described at some length the all-embracing powers which the party wishes the Assembly to exercise. These covered, most controversially, such policies as taxation, North Sea oil revenues, trade and industry, energy and employment. And it was this "playing the game of devolution" which finally incensed the traditionalists.

Mr. George Leslie, a former Glasgow councillor, said that the devolution of limited power to an Assembly was merely a political *device by the unionist parties* designed to "buy off support from the SNP."

He added: "The British Government will never agree to devolving powers to an Assembly which will give us control of our money and our oil."

There was a chorus of dissent, however, led largely by prospective Parliamentary candidates. *Mr. George MacDougall (East* Edinburgh) said an Assembly was clearly the first step towards Scottish self-Government.

Mr. Donald Barr (Inverness) said the party was no longer asking the Scottish electorate to "lend its votes" while independence was achieved.

Mrs. Margo Macdonald, senior vice-chairman, warned that if the party *was given a mandate for* independence it must be ready to negotiate a power transfer in a way which would not arouse the resentment of Westminster.

Mr. William Wolfe, chairman, sobered the delegates by describing the scale of the party's future task. Having increased its vote by 36 per cent. between the February and October general elections, it now needed a further minimum increase of 65 per cent. if it was to secure at least half of Scotland's 71 constituencies.

The nearer Scotland grew to independence, he warned, the more people would speculate on the difficulties of achieving it.

But if England could renego*tiate its recently-concluded* treaty of accession to the EEC, how could Scotland be denied the right to renegotiate the out-of-date treaty defining Scotland's relationship with England?

The Scots had 268 years of experience of what should have *been an equitable Common* Market. It had failed.

● Scottish Minister Mr. Harry *Ewing spoke on devolution.* He said in Edinburgh, asked if it was still possible for a Bill for the setting up of a Scottish Assembly to be out by the end of the year, he replied: "I would regard this as very possible."

He said a great deal was happening on devolution but he said he did not think a White Paper was crucial. "What people are *looking for is the legislation and* what form it will take," he said.

In our series of follow-up visits, **Malcolm Rutherford** returned to Bristol after two weeks to see how public opinion was moving

The West is not wild

"THE West says Yes" say the posters, though they turn out to have nothing to do with NATO or a firm response to the Warsaw Pact. Indeed, the local people are scarcely aware of any conceivable double meaning. To them there is only one West and its capital is Bristol.

The difference between now and two weeks ago, however, is that the posters have gone up and a campaign has begun. It is a very one-sided affair. The pro-Marketeers seem to have all the money, all the organisation and most of the talent. One young Labour academic among them says he is positively embarrassed that for the first time in his life he is not on the side of the underdog.

Knowing their strength, the pros can afford to be deliberately restrained. At a parish meeting in St. Augustine's Whitworth on Tuesday, organised to give both sides a hearing, Mr. J. Poling, a local architect and organiser of the Bristol end of the Get Britain Out campaign, *described himself* as "not belonging to any of the leading political parties, to the right of centre, radical on some *things, conservative on others.*" The pros have apparently decided there will be no attempt to get him to say precisely what this means and to which political party he does belong.

The pros are also efficient. At a pro-Market coffee morning, I was talking to a lady who said she was doing a "phone-in" on BBC Radio Bristol. I mentioned conversationally a theoretical local issue which concerns the import of cheap French cigarettes. (Tobacco is one of the main Bristol industries.) Two hours later I received a telephone call from the Keep Britain In campaign in London asking for a brief on the subject.

The only danger, according to the pros, is complacency arising from such an assurance of victory that people do not bother to vote. "It would be a good thing," said one of them, "to see an opinion poll which suggests that the result will be a lot closer than at present."

Predictions of a low turn-out *are widespread. A very senior* Bristol businessman says only 40 per cent. In this he is broadly in line with Rolls-Royce shop stewards, some of whom go even lower. All I can say is that such estimates do not fit with my own observations. Proclaiming ignorance all the way, the citizens of Bristol say, nevertheless, that they are determined to vote, and *the great majority of them to* vote "Yes."

Mr. Arthur Palmer, the Labour MP for Bristol North East and the only one of four Bristol Labour MPs to be pro-Market, agrees. He detects "a much greater interest than is generally supposed." He would guess that the turnout will be about 60 per cent., "but we should aim at 80 per cent."

Mr. Palmer has taken to describing himself as "one of the *other Members for Bristol*" in response to any assumption that Mr Anthony Wedgwood Benn, the Member for Bristol South East and Secretary of State for Industry, is the only Member.

According to Mr. Palmer, Mr Benn's personal sway over the Bristol voter has been "neutralised" by the way the bulk of official Labour opinion in the city has come out in favour of the Market. Mr. Palmer gave this answer, for which there is a good deal of evidence, at a Bristol in Europe Press conference for the local media, where he was sitting between Mr Paul Dean, Tory MP for North Somerset, and a Liberal Councillor. He appeared mildly embarrassed to be there, but sufficiently in command to carry it off. It was not, he said, "so much as an all party platform as a non-party platform."

Henchmen

As a matter of fact, it was not so much a Press conference as a gathering of pro-Market hench*men*. Apart from myself, I counted three notebook-carrying reporters. Asked by one of the latter whether co-operation between the parties would continue after the referendum, Mr Palmer said such co-operation was not unusual: it had been seen before for example, in the League of Nations union.

Afterwards, on the way to the Rolls-Royce engine division outside the city, I wondered why all the taxis in Bristol seemed to be Mercedes. Was it just another sign of Bristolian affluence and the West saying yes? "No," *said* the driver, "it's just this company. You see, we do a lot of work for the prison service, so we have to have something reliable. Sometimes we have to take a prisoner from Bristol to Wandsworth or Liverpool, and we can't risk breaking down on the way—otherwise the prisoner might escape." Quite why the inmates of Her Majesty's prisons are ferried about the country in taxis was left unclear, but the driver was voting "Yes."

It was a holiday at Rolls-Royce—for the white collar workers, but not for the rest. The shop stewards seemed surprised that I thought this odd, just as, three weeks ago, the stewards at the *British Aircraft Corporation* (BAC) obviously thought me mad for assuming they are given facilities by their employers to carry out their work and receive visitors. (My experience of industry, trade unions and the shop floor has been largely confined to West Germany.)

The stewards assembled at Rolls-Royce were uniformly *anti-Market, some for straight*forward and (by their language) immediately recognisable Marxist reasons, others for reasons more interesting, or more devious. It appears that the subject has been discussed with workers in the French aircraft industry, with whom both BAC and Rolls-Royce collaborate extensively, the Concorde being only one example. The French workers had come to the conclusion that so far as the aerospace industry *is concerned*, the Common Market is simply a plot to hand it over to the Americans with the Europeans as, at best, subcontractors. The Rolls-Royce stewards say they looked into it and found that the French were right.

No evidence

There is no evidence, and, indeed, a great deal to the contrary, that the management of either BAC or Rolls-Royce is doing anything to counter this view. The management of both companies have repeatedly declined to give interviews on the Common Market issue. They appear to believe, along with *the most Left-wing nationalistic* shop stewards, that Britain can maintain a viable national aerospace industry, collaborating with others only when necessary. The more common explanation in Bristol is that management is frightened of the stewards. My own explanation is that a dialogue has scarcely been tried.

Yet the trouble in store for the *aerospace industry apart, Bristol* is the last place in England in which to speak of the collapse of capitalism or the national decline. Bristol transplanted would fit quite naturally into the rich growth areas of Continental Europe—a kind of English Hamburg, only so much more easy-going.

Stable lads' strike may hit the Derby

BY MICHAEL THOMPSON-NOEL

THERE ARE now fears of a major demonstration at next week's Epsom Derby race meeting because of the failure to settle the Newmarket stable lads' strike.

Miners, dockers and firemen have offered to help swell picket lines at Epsom and telegrams accepting their support have been sent out by the lads' strike committee, according to Mr. Sam Horncastle, Newmarket district organiser of the Transport and General Workers' Union.

The Derby, to be run next Wednesday, usually attracts a crowd of more than 600,000, and there is some risk of a repetition of the clashes at Newmarket racecourse which marked the start of the strike four weeks ago.

Plans for Epsom will be drawn up by the strike committee at Newmarket this week-end. The plan to picket the Derby follows the refusal of the Newmarket Trainers' Federation to take part in conciliation talks suggested this week by the senior steward of the Jockey Club, Lord Leverhulme.

The trainers have also refused to take the dispute to arbitration. About 130 of Newmarket's 650 stable lads are striking for a *£1.47 addition to the consolidated* minimum weekly wage of £33.83.

In the trainers' view, conciliation talks would serve no further purpose. They have repeatedly claimed that the "cupboard is bare," and say that an increase in Newmarket wages as demanded by the stable lads would lead to the movement of racehorses to rival training areas.

Betting tax

They have called for an overhaul of the betting tax, and a re-adjustment of the ratio between the sums extracted in horserace betting tax and the sum handed over to the Horserace Betting Levy Board. Hardliners among the trainers' ranks are said to be determined not to re-employ the lads on strike.

Aerospace Bill to go ahead

By Michael Donne, Aerospace Correspondent in Paris

THE U.K. Government is determine to press on with its plan to nationalise the aerospace industry, and hopes to start the second reading of the Bill some *time in late June, subject to the* state of the Parliamentary time table.

This was made clear to me here yesterday by Lord Beswick, Minister for Aerospace in the Department of Industry, who paid a brief visit to the International Air Show.

Lord Beswick, who was primarily in Paris to sign on behalf of the U.K. the international agreement setting up the new European Space Agency, told me that the Government was still confident of getting the Aerospace Nationalisation Bill on to the statute book by the end of the Parliamentary session, despite the pressures of other business.

Reshuffle

His comments were clearly intended to disabuse those members of the industry attending the Paris Air Show who have been openly hoping that the nationalisation Bill might get crowded out this session, or even dropped, especially if there is a Government reshuffle after the referendum.

The Minister is paying another more extensive visit to the air show to-day, when he will tour the British exhibits. Many representatives of the industry to whom I spoke to day left no doubt that, if they get the opportunity, they will make clear to Lord Beswick that the aerospace industry is totally opposed to the Government's plans for nationalisation, and intends to fight them as hard as it can.

Soames 'is playing at Santa Claus'

By John Hunt

SIR CHRISTOPHER SOAMES, British EEC Commissioner in Brussels, was accused yesterday of operating in the role of a "Santa Claus" over the amount of aid which is coming to *Britain from the Common* Market during the referendum campaign.

The charge came from Mr. Peter Shore, Trade Secretary, at a Press conference.

Mr. Shore warned that Britain would be forced to pay an ever increasing budget contribution if we remained in the *EEC. It suited the Common* Market to have people believe that it was being helpful to the U.K. Hardly a day went by without an announcement from Brussels of some carefully prepared release announcing new benefits for the British people.

"It is not going to last and it cannot last," he said.

Shopper Shore

Elinor Goodman writes: The average British family was threatened with another "great blow" in the shape of rising prices if Britain stayed in the Market. Mr. Peter Shore said in Hackney, East London, last *night*.

Speaking to an enthusiastic rally of 150 Labour anti-Marketeers, he disclosed that he too had been on a Euro-shopping spree—or rather the Embassy staff had been out shopping for him in Paris while he was attending the OECD meeting.

Quoting examples of butter selling at 73p a pound and a dozen eggs at 51p, he said Britain still had a long way to go before its price levels reached those on the Continent.

Mr. Shore, looking like a rather tired headmaster, was at pains not to be involved in personality punch ups, but some of his audience would obviously like to have heard him tear Roy Jenkins apart. On several occasions, when he mentioned pro-marketeers, there were derisive calls of "like the Home Secretary."

The pendulum is swinging towards 'No,' says Benn

BY ARTHUR SANDLES IN ACTON

THE PENDULUM of public opinion is swinging towards a No vote in the referendum, according to Mr. Anthony Wedgwood Benn, Secretary for Industry.

Pouring scorn on the pro-Marketeers' campaign last night, *he argued that the voters had a* growing awareness of the impact of membership on prices and employment, and were insulted by suggestions that Britain was incapable of dealing with its problems outside the Market.

Speaking in Acton, in the heart of West London's industrial suburbs, Mr. Benn said more and more people were realising "the jobs that had been lost and the prices that had been raised." The people were beginning to work it out, in spite of personal attacks.

Mr. Benn's interpretion of public opinion may or not be right. Certainly, last night's gathering was a good indication that interest in the debate is *livening*.

He faced a packed town hall which was by no means meekly approving. Here was a meeting with some echo of the hustings—the posters, the hecklers, the watchful stewards, the wary police.

There was even a phantom mouth-organ player, who took a great deal of tracking down.

The British people, Mr. Benn said, were beginning to "resent being told they are too weak and too poor to come out of the Market."

Replying to challenges about his figures on the loss of jobs due to Market membership, Mr. Benn said: "People say my figures about jobs are imaginary. *They should stand in my office* and see it happening, day after day."

He described his work sometimes as "a bit like being a stretcher-bearer at Paschendale."

Mr. Benn was scathing about the lack of British domestic investment in industry. "The City of London, who put their money into Germany, then tell us that this country is not competitive."

Lever attack on 'this rag-bag of anti-Market arguments'

BY OUR POLITICAL STAFF

MR. HAROLD LEVER, Chancellor of the Duchy of Lancaster, described the motives of leading anti-Marketeers as "dishonest and irresponsible." Speaking at a rally attended by over 1,000, he concentrated on refuting the arguments put forward by Mr. Benn and Mr. Shore.

He claimed that the original arguments against entry had once more been "trundled out as a ragbag of stale demogogy." They had been found ineffective, and now a note of increased raucousness and irresponsibility was entering the anti-Market case.

The antis played on people's fears, but their arguments were totally contradictory. "On the one hand they speak of unfair imports and on the other they propose a free trade area with the Common Market."

On *unemployment*, Mr. Lever said France and Italy had *suffered even greater job losses* than Britain because of world *trading conditions*.

Mr. Jeremy Thorpe, Liberal leader, *criticised the antis for* promising everything from cheap food to the ending of VAT—"a great number of wild promises made in vain, last minute attempts to sway the British people to vote against the Common Market."

Mr. Edward Heath said the housewife must distinguish between food facts and fantasies. "The *fantasy* was that prices never went up until we joined the EEC and that every rise since could be blamed on Europe."

The truth was that prices in general were no higher than if Britain had not joined.

'Hushed up'

Mr. Enoch Powell predicted that if Britain remained in the Market Brussels would be able to regulate and prescribe Britain's energy policy for the next 20 years. He said the *Council of Ministers* had before it proposals for regulating the use, exploitation and development of *all sources* of energy within the Community.

"The Government have hushed these proposals up until after *the Referendum is over*," he said.

On fishing Mr. Powell argued that in seven years' time the U.K. would have no territorial waters and no fishing grounds of her own because of the law of the Common Market.

Mr. William Whitelaw, Tory deputy leader, said if there was a Yes vote Scotland could be directly represented on the EEC Commission.

Mr. Ted Leadbitter, Labour MP for Hartlepool, accused some Ministers of not telling the truth in the *Common Market* campaign, and demanded a debate into the conduct of these people.

In a letter to the chairman of the Parliamentary Labour Party he wrote: "The spectacle of personal attacks by some politicians in the Labour Party, the lack of a sense of direction in the middle of an economic crisis, the distortion of facts and the blatent misuse of the case for and against the EEC now clearly seems to be a conflict causing damage to the party."

Mr. Leadbitter added that many politicians were not telling the truth, and that the Labour Party was dismayed at these antics by a handful of Cabinet *and junior ministers* "who seemed hell-bent on personal power rather than the interest of Britain."

Mr. Julian Amery, MP, a former Tory Minister for air, said a No vote would give the Soviets an even greater victory over the West than Portugal or Vietnam.

Why the opinion polls are fading

By David Lascelles

SEVERAL NATIONAL newspapers have decided not to commission opinion polls about the referendum. Others have cut back on the number they normally publish before elections. The reasons are lack of interest in the polls, a fair degree of certainty by newspapers about the referendum outcome, and the cost.

Some papers were disappoin*ted by the performance of the* polls in the last two elections. But it was widely agreed that opinion polls are more likely to be accurate on a straight popular vote.

The Daily Mail said last night it thought the heyday of the polls was over and that it had stopped publishing them as a matter of general policy.

Mr. William Rees-Mogg, editor of The Times, said his newspaper had concluded after the last elections that opinion polls, though a good way of measuring public opinion, had shown margins of error that reduced their credibility. Cost had also played a part in the decision to drop them.

The Sunday Times had also decided not to publish them.

The only "heavy" daily newspaper to have published regular polls is the Daily Telegraph which, along with its sister Sunday newspaper has published five, with two to go—one tomorrow and the last on polling day. But this is less than it normally publishes before elections.

The Sun, the Daily Express and London Evening Standard have also published polls, but again in reduced number. They will all be publishing final polls next week, spokesman said last night.

Mr. Charles Wintour, editor of the London Evening Standard, said the polls had all tended to *say very much the same thing*, and that this could explain the low interest in them.

Cost was mentioned by several newspapers besides The Times. The cost of a referendum poll would be about the same as one for a general election at from £1,000 to £10,000 depending on the number of people sampled.

Farm engineering sets export record

BY ARTHUR SMITH

THE AGRICULTURAL engineering industry boosted exports 56 per cent. to £141.7m. in the first three months of this year, compared with the same period of 1974.

Announcing the record figures yesterday, the Agricultural Engineers Association said exporters were striving to improve their performance. Trade missions are planned this year to South Africa, Syria, Brazil, Japan, *Iran and North America*.

The fastest rate of growth—70 per cent.—in the first three months was achieved by the sector embracing engines for tractors and combines, where overseas sales hit £18.8m.

Tractor exports were up 43 per cent. at £62.5m. and agricultural machinery 66 per cent. at £26.8m.

Buoyed up by its successful export performance, the agricultural engineering industry is working to full capacity, Mr. Douglas Walker, the association president, said yesterday.

Imports of agricultural machinery were also *higher* in the first three months—up 19 per cent. to £37.4m. However, the industry's overall balance of trade improved 75 per cent. to a surplus of £104.3m.

To some extent, the comparison of this year's figures with the first quarter of last year is distorted because of the influence of the three-day week. However, the association estimates that only a quarter of the 56 per cent. improvement in its export performance can be attributed to inflation.

Police heckle Jenkins over pay

By Our Labour Staff

POLICE delegates heckled Mr. Roy Jenkins, Home Secretary, about their pay during his speech to the Police Federation conference in Blackpool yesterday.

Earlier this week delegates gave their negotiators solid backing for a claim for pay rises ranging from 42 to 63 per cent. which have been rejected by the employers and countered with a 26 per cent. offer.

Although the delegates' frustration was evident yesterday, the silent protest and walk-out called for by some did not materialise, and Mr. Jenkins warded off most of the hecklers' complaints.

Refusing to be drawn on the subject while negotiations were still under way, Mr. Jenkins added: "You must not make me think I am dealing with the International Marxists in the Philharmonic Hall in Liverpool."

He said he hoped a "fair and acceptable" settlement would be reached, and added: "I take full note of the strength of feeling."

Earlier, a motion calling for a strike ballot was overwhelmingly defeated.

Artists' material company to close Enfield plant

BY MICHAEL CASSELL

ABOUT 300 workers will be affected by the decision of Reeves Dryad, the artists' material manufacturer, to close its Enfield, Middlesex, plant.

Around 220 full-time and 90 part-time workers are employed at Enfield, where operations will cease early next year. Administration, production and warehousing of colours and artists and craft materials will be transferred to the company's Leicester factory, where some of the skilled Enfield workers will be offered new jobs.

Mr. Wilfred Cass, chairman of Reeves Dryad, formed after a merger two years ago, said yesterday that the decision to shut down at Enfield had been inevitable for some time.

"Our sales at present are up 40 per cent. on last year and we are reaching the limits of the Enfield plant's capabilities. The move will provide space for future growth which would not otherwise have been possible, as well as providing benefits from gathering the various activities of Reeves Dryad into one area."

Until now, paint production has been confined to Enfield, with all woodworking activities carried out at Leicester. About 150 people are employed at the Leicester plant, but this figure will now expand.

Reeves Dryad is a wholly-owned subsidiary of the Reckitt and Colman Group.

Queen's Award company forced to close

By Our Ipswich Correspondent

A SUFFOLK company which won export awards, including the Queen's Award to Industry, has been forced into liquidation.

About 50 workers at Ayala Designs at Stowmarket have already been made redundant and another 25 will lose their jobs in August when existing contracts are completed.

Mr. Mark Maley, managing director, said yesterday that the closure had been caused by Hutchinsons International of Hong Kong the majority shareholder calling in loans.

Liquidator for insulation company

A LIQUIDATOR has been appointed to wind up The John Barrett cavity wall insulation company of Rushden, Northants, which is to go into voluntary *liquidation with estimated debts* of more than £48,000.

The company, formed three years ago, has suffered a drop in weekly sales from £12,000 to £2,000. It blames bad publicity for cavity wall installations and a seasonal drop in sales.

EEC not to blame: Steel union chief

BY DAVID LASCELLES

THE 22,000 threatened redundancies in the British Steel Corporation had nothing to do with the EEC. Mr. Bill Sirs, general secretary of the Iron and Steel Trade Confederation, said in London yesterday.

Any decision of the kind from Brussels would have needed the approval of the U.K. Minister, and no Labour Minister would have allowed it, he said.

Long term policies for the steel industry were not being dictated by Brussels, he claimed.

It had been accepted for years that steel output should be more efficient; and even before Britain entered the EEC in 1973, 30,000 steelworkers' jobs had been lost because of decisions taken by our Parliament.

Sir Henry Plumb, National Farmers' Union president, told a Britain in Europe Press conference yesterday that the razor-thin line between supply and shortages in these difficult times justified the EEC beef and butter reserves

But far from being mountains, these strategic reserves represented only seven days' supplies of butter and 15 of beef, he said.

ICI warning to staff

BY RAY DAFTER

ICI, Britain's biggest industrial group, told staff representatives yesterday that investment and job prospects at home would suffer if Thursday's vote favoured withdrawal from the EEC.

Mr. Roland Wright, chairman, said capital investment pro*gramme would be reviewed if* the U.K. decided to leave the Common Market. The company has said it plans to sanction a record £415m. capital spending this year—over half of which is earmarked for the U.K.

Talking to members of the Central Committee—part of the group's joint consultative organisation—Mr. Wright said if in the event of withdrawal it was doubtful whether ICI would be able to operate on the Continent on the scale needed by modern chemical industry standards without erecting more plants in these markets.

If, on the other hand, the vote was in favour of the U.K. Britain remaining an EEC member, "we would be able to go on shipping large tonnages of products made on large scale plants in the U.K."

ON THE STUMP WITH EDWARD HEATH — by Richard Evans

'Ted lives'

"TED LIVES" read the slogan on the tee shirt of a pro-Marketeer at Newcastle City Hall one night this week. It could be one of the most significant messages to come out of the 1975 referendum campaign.

Usually there is nothing more "ex" than an ex-Prime Minister or party *leader, but the referen*dum has fired Mr. Heath with a remarkable new vigour within weeks of the stunning experience of losing the Tory leadership. He has refused to be written off.

He has been standard-bearer of the Conservative contribution to the referendum debate by stumping the country fighting for *the issue that has dominated his* beliefs during 30 years in politics

Mrs. Thatcher has found her other duties have not allowed her to campaign vigorously, and Mr. Whitelaw and other leading Tory Marketeers have been unable to match Mr Heath's personal commitment to a strong united Europe with Britain as a major partner.

Travelling around with Mr. Heath I have found no open hostility to Mrs. Thatcher, but there is undoubtedly puzzlement that she has not found more time to campaign.

This disappointment is reflected in the impressive reception given to Mr. Heath by Tory party workers wherever he goes.

"If only he could have got a message across like this when he was Prime Minister," is a frequently heard comment after one of his speeches in town halls *throughout the North*.

The major improvement in his technique is his more relaxed delivery. He is enjoying himself. Gone is the stiff, prickly Heath so criticised by his supporters and by the media.

The jokes

He speaks without once referring to his notes, extending his hands expansively to illustrate the size and breadth of Europe or stabbing his finger repeatedly to illustrate a difficult point.

A few jokes are always included—the one about the Scotsman who wrote to him "on a tiny scrap of paper" or the one to combat accusations that the European Community is too materialistic. "There are those who think that to be poor but honest is honourable. I have always felt that to be honest but not poor is equally honourable and rather more satisfactory."

But the Heath strategy is very serious indeed. He briefly takes time off to attack anti-Marketeers particularly Mr. Benn, but he is there principally to guide, to instruct, to persuade and to try to instill his belief that membership of the European Community is not a matter of *cheaper butter but of much* broader political and historical significance.

His timetable has been punishing with at least two major speeches a day often hundreds of miles apart. Without exception audiences have come out to hear him—800 at Bolton, about the same at Newcastle and a remarkable 1,000-plus at Buxton.

For the first time Mr. Heath is being regarded by Conservative Party supporters not only with respect but with affection. It could be significant for the future.

For as one astute and experienced area agent commented, he looks like assuming the mantle vacated by Sir Alec Douglas-Home as the Tories' elder statesman and at times its conscience.

From the evidence of the referendum campaign Mr. Heath has no intention of simply fading away.

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SATURDAY, MAY 31, 1975

Referendum run-up

THE TWO subjects that have dominated the headlines this week, pay claims and the EEC referendum campaign, have this in common from a purely short-term point of view, that they mark the closing stages of one period in UK economic policy and look forward to the beginning of another. The railwaymen's pay claim, on which the Railways Tribunal issued its report this week, and the local government workers' claim, on which hard bargaining began yesterday will be followed by the steelworkers' claim (on which negotiations begin next week) and that of industrial civil servants (which is being processed by the machinery of the Pay Research Unit). That will complete the major pay claims of the present round.

The EEC referendum, which takes place next Thursday, is clearly of major long-term importance for the future of the country, but it will also mark the end of a period in which various short-term issues of economic policy have been shelved. If it were to go against continued membership of the Community, emergency steps of one kind and another may well be needed to protect the exchange rate against a large outflow of short-term capital. If, as all the evidence suggests, it goes in favour of continued membership, the Government will still have to press urgently ahead with measures needed for the control of inflation.

New pay policy

Whether or not the National Union of Railwaymen accepts the Tribunal's finding will not be known until Monday at the earliest. The fact that the award amounts to 27½ per cent. instead of the 30-odd per cent. which has been given wide currency as the going rate for wage increases in the public sector is important, since it could mark a psychological break in the upwards drift of pay claims.

More important from the point of the unions concerned, however, is the fact that the Tribunal has chosen to recommend flat *percentage* increases, so as not to erode differentials and upset the recently-introduced new pay structure, and has also suggested that there is further scope for a planned reduction in the size of the present labour force. The point about differentials has a wider significance. Mr. Jack Jones has suggested that there should be a flat money ceiling on the size of wage increases in the coming season, while the leaders of unions with more skilled workers are clearly in favour of a system which does not tend to erode differentials still further.

Government split

The question of overmanning in British industry, which has recently come in for a good deal of discussion as the result of an open dispute between Mr. Wedgwood Benn and the head of the Steel Corporation, has clearly a long-term as well as a short-term aspect: and the natural reluctance of firms to lay off workers at a time of rising unemployment should not be allowed to obscure the need for longer-term savings in manpower as a concomitant of new capital investment. Mr. Benn and other anti-Market Ministers have recently seized on the upward trend of unemployment as a useful weapon in the referendum campaign and argue that the loss of jobs caused by the adverse balance of trade with other EEC countries and the net outward flow of direct investment is much the same as the total level which unemployment has reached in this country.

It is difficult to judge how far the general public is influenced by such statistical sophistry. If it were not for the apparent success of the anti-Marketeers' equally fallacious arguments about the effect of EEC entry on domestic food prices, one might assume that they would be universally seen as either balderdash or the introduction to a programme for a siege economy in this country. We ourselves remain strong supporters of continued EEC membership and are strongly opposed to the idea of a siege economy, but we do not assume that a majority vote for the EEC will in itself solve Britain's economic problems. The referendum campaign, in fact, has served to bring out the deep-seated differences inside the Government about the proper way of handling these problems which must soon be resolved one way or the other if a consistent policy is to be developed.

SCOTLAND'S VOTE WILL BE AS MUCH ABOUT MEMBERSHIP OF THE U.K.

Sovereignty's other face

From CHRIS BAUR, Edinburgh, May 30

THE difficulty about the EEC referendum in Scotland is that, while it will settle the question of Britain's membership of the Common Market, it cannot resolve one of the central political issues with which it has become hopelessly entangled, the question of Scotland's membership of the U.K. That is the reason why the Scots' actual verdict on Europe is likely, in the end, to be less important than the possibly crucial influence it could exercise over Scotland's labyrinthine relationship with Westminster in the months following the referendum.

This is not meant to be ungracious to those on both sides of the EEC debate who are earnestly straining every sinew in the arguments about prices, jobs, investment and economic morale. Many of them, who have long regarded Scotland's flirtation with nationalism as an ultimate irrelevance in the grander scheme of things, complain at the very idea of pouring the politics of the European referendum into the more restricted and distracting mould of Scottish self-determination.

Yet it is precisely this "other" issue of sovereignty (whether you call it Scottish independence, self-government, devolution, or merely "a greater say in our own affairs") which—in taking such a hold of Scottish politics in the last five years—now so confuses and perplexes many of the factions currently mobilised on each side of the referendum campaign.

Another signal

It is almost inevitable that the result in Scotland will be interpreted — whether the voters consciously intend it or not — as yet another signal of the strength of Scottish nationalism. It is certainly true that the referendum does offer the Scottish National Party (and the strongly pro-devolutionist minorities in both the Labour and Conservative parties) a classic tactical opportunity to advance their case for Scottish *self-government*, or something very close to it. If, for instance, Scotland produces its long-predicted "no" and this is set against the increasingly likely and ultimately decisive English "yes," the referendum will be seen as a further source of Scottish aggravation and as a triumph for the Nationalists. Conversely, and in equally opportunist fashion, a Scottish "yes" vote, however reluctant, will certainly be seen, particularly by the hard-pressed Conservatives, as a sound thrashing of their SNP opponents, with implications far beyond the immediate question of the EEC, and reaching right into the U.K.'s internal debate about devolution.

It is only in the past few days that the lid of this particular Pandora's box has been prized open — not, as it happens, by the Nationalists, who have been hurling themselves at the thing for months, but by two heavier-weight political figures who have responsibility for designing the proposed elected Scottish Assembly.

It was Mr. Harry Ewing, the anti-Market Scottish Office Junior Minister, who put the first crowbar to the lid. He suggested that a "yes" vote in Scotland would increase the difficulty of transferring from Westminster the maximum powers with which he would like to see the Scottish Assembly equipped. He explained this in terms of the EEC Commission's direct interest in such matters as industrial, manpower and taxation policy, all of which are devolution candidates at the knuckle-end of the debate about a "meaningful" Assembly.

Diminishing muscle

I suspect, however, that what he really meant (but was obliged to deny) was that a "yes" vote in Scotland would create difficulties because it would be seen at Westminster as evidence of diminishing SNP muscle, with a consequent release from the obligation to consider the transfer of some of the more controversial powers to a subsidiary (and quite possibly uncontrollable) domestic Scottish legislature.

Predictably, it was not long before several of Mr. Ewing's pro-Market Parliamentary colleagues fell on him like a ton of bricks. There was a chorus of outraged reaction from Liberal, Conservative and Labour leaders alike. Had he not heard of the considerable devolution exercised by both Germany and Italy, each of which was quite unaffected by the EEC Commission? It was only Mr. Ted Short, the head of the Government's devolution unit for which Mr. Ewing also works, who publicly acknowledged Mr. Ewing's political semaphore. Addressing himself specifically to Scottish Labour voters, he said at a Glasgow rally "The Scottish people will be voting on Common Market membership and nothing else. You will not be voting on independence or on devolution."

Quite so. But if Mr. Short gets his "yes" vote in Scotland, even he might be tempted to ignore Mr. Ewing's explicit warning that it would be a "gross misjudgment to regard that vote as evidence of a decline in popular support for greater Scottish autonomy." There are, after all, those devolutionists who tortuously concede that in the long run a Scottish "yes" might be tactically an ideal result. They argue that it would effectively camouflage the real strength of the SNP on purely Scottish issues, and would thus encourage the creation of a thoroughly "toothless" Assembly whose capacity for frustrating the aspirations of the Scots would be such as to send the electorate rushing headlong into Nationalist arms. That must surely be the ultimate wrinkle in this infinitely convoluted referendum.

But it does illustrate an increasingly fascinating aspect of the campaign as it enters its final stages—the fact, incredible as it may seem, that some leading anti-Marketeers are now so alarmed at the possibility of the Scots voting "yes" against all expectations that they feel obliged to prepare their post-referendum ground accordingly.

"We're getting tanked," said one Labour anti-Market MP. "The only thing we can do now is continue pointing out the difficulties involved in protecting Scotland's interests in the EEC, and hope that at least we will pile up enough political credit in the bank against the day when the Scots turn sour; and *they will*." This morose admission is not yet shared by the Nationalists who are by nature optimists: but even they are starting to echo that interpretation of the consequences of a "yes" vote.

We are now, for example, beginning to hear rather more about the necessity of representing Scottish interests inside the Community, than about the tactical necessity of demonstrating how different those interests are through a Scottish "no" vote. Once the basic European adherence has been established, with or without Scotland's blessing, the pro-devolutionists of all political hues are certain to start campaigning for separate Scottish representation on the political organs of the Community: and the more they are refused, the more attractive the proposition is liable to become in Scotland.

This is simply an extension of the demand for greater internal economic and fiscal autonomy through the Scottish Assembly which has been marshalled largely on the back of the new North Sea oil resource. What terrifies the pro-Marketeers is that, regardless of the EEC vote north of the border, the Scots will be encouraged to ditch Westminster long before Brussels and Strasbourg have had the remotest chance to reform themselves in a way which might, one day, accommodate direct Scottish representation.

Nevertheless, this is the door through which some of the anti-Market, pro-devolutionist leaders are preparing to ease themselves, and on the face of it, this is a reaction to the fact that the pro-Marketeers have so far run the more telling campaign. Their consistent public show of all-party unity has heightened the impression of the anti-Market camp as a shambles of bickering radicals. "We're having great difficulty getting people to fight together," says one of the Scottish anti-Market organisers. "They are all shooting off in different directions."

Frightened of success

The strain among anti-Marketeers has, if anything, increased with the canvass evidence that public opinion in Scotland remains stubbornly and finely balanced. The SNP is busily accusing Labour of not trying hard enough because of the constitutional implications of a heavy Scottish "no" vote. "They are frightened of being too successful," said one. Labour anti-Marketeers, who know the extent to which their own constituency machines have been neutralised and have been relying on the SNP's legendary vote-getting abilities in turn accuse the Nationalists of confusing the issue with their fudged slogan "no—on anyone else's terms."

In the pro-Market headquarters there is an unshakeable conviction of a "yes" vote in the Northern Isles, the Highlands, along the northern edge of the Grampians and in Tayside, and from Edinburgh down the East Coast to the borders and Galloway. There is uncertainty about Fife, and plain mystification about what is going on in Labour-dominated industrial Scotland, particularly Clydeside.

Touching faith

And it is there that the Scottish referendum will be determined. Politically, the pro-Marketeers have a touching faith in what they quaintly call "Labour's traditional deferential vote"—the assumption that although the Party is split the final vote will reflect a residual loyalty to the Government. This is a somewhat precarious foundation for any campaign. What is liable to have a more profound effect, certainly on employment-anxious Clydeside, is the pro-Market assertion that withdrawal from the EEC would have disastrous consequences for investment and jobs.

On the other hand, it seems fair to say that the anti-Marketeers, who are concentrating on a grass-roots, door-to-door campaign which their opponents have been unable to mount to nearly the same extent, are probably reaching more people with their direct invitation to vote "no." They suspect that the pro-Marketeers will have difficulty in sustaining a largely repetitive campaign; and are now beginning to trade heavily on "gut" issues, like the assertion that under an evolving common energy policy, Britain would inevitably lose the capacity to give home industry a preference either in contracting for oilfield development work, or in the price of crude oil when it is produced.

The ultimate card which the Nationalists are now fingering (for only they can deliver it) would carry the straight invitation to protest. "It would run like this," explained one of their leading managers. "You must flex your political muscle. Do not just acquiesce in EEC membership because of largely English economic difficulties. Your vote is not going to determine the result, but it could effectively register a Scottish protest." In a part of the country where the referendum passions are so especially confusing, that invitation might almost fit the mood.

A rare moment of political unity during the anti-Marketeer s' campaign in Scotland. "Scotland United" was the slogan as Labour MP Mr. James Sillars (South Ayrshire), Conservative MP Mr. Teddy Taylor (Glasgow, Cathcart), and Scottish National Party vice-chairman Mrs. Margo MacDonald (former MP for Glasgow, Govan) campaigned together outside Glasgow's Rolls-Royce factory.

Letters to the Editor

Watching wealth tax

From Mr. Hugh Leggatt and Mr. George Levy

Sir,—Mr. Michael Kerr (May 29) makes an excellent suggestion that all parties should unite to oppose the Wealth Tax and says that the "British also have a national heritage and an unrivalled art market to protect."

May we point out that an all-party group of MPs has recently been formed "to fight for the national heritage whenever they see it jeopardised."

The group, whose chairman is Mr. Ted Graham (Labour), is already studying the proposed effects of Wealth Tax. The vice-chairmen are Sir David Renton (Conservative) and Mr. Andrew Faulds (Labour); the secretary is Mr. Patrick Cormack (Conservative). In this connection Heritage in Danger and the British Antique Dealers' Association have already promised their wholehearted support.

Hugh Leggatt.
Honorary Secretary.
Heritage in Danger.
George J. Levy.
President,
The British Antique Dealers' Association.
30, St. James's Street, London, S.W.1.

A tax on age

From Professor P. G. Moore.

Sir,—Recent reports suggesting that the Wealth Tax might embrace the capital value of pensions seem to contain an element of confusion between notional and realisable values during the periods before and after retirement of an individual.

During the former, the value of pension rights accruing (public, private or State) would rise as a working lifetime passes, but are either funded through investments held by trustees, or unfunded to be paid later on a pay-as-you-go basis. In either case the would-be pensioner has no right of access to the fund or its investment income, notional or otherwise, and any wealth tax levied on him would perforce be an extra tax on his own income.

At or after retirement the capital value would still not be realisable, but a regular pension is payable currently fully taxed as income. If the notional capital sum available was also to be taxed as accrued wealth, there would be a strong case for the pension to be treated for tax purposes as a purchased annuity, only the interest portion of which is taxed. As this arrangement would perforce apply across the board, the Revenue would almost certainly lose.

The threshold for Wealth Tax is not yet known. Neither are the arrangements to be made for index linking that threshold with changes in the Retail Price Index. If the pension proposal is, however, a serious one, the effect of age on liability to Wealth Tax becomes critical as such an assessment would clearly fall heaviest on an individual only at a specific portion of his life span, say between 55 and 70. As it is doubtful if this is the real purpose of a wealth tax, there would be a need either for an age-related threshold or some ability to spread liability over a long period of time.

P. G. Moore.
London Graduate School of Business Studies.
Sussex Place, Regent's Park, London, N.W.1.

Sub-postmasters

From Mr. Arthur B. Wait.

Sir,—In your issue of May 14 you were good enough to print a paragraph from a speech which I made at the conference of the National Federation of Sub-postmasters.

I was moving a resolution calling for a Committee of Inquiry to be set up inquiring into the salaries, conditions of employment and responsibilities of sub-postmasters as compared with others doing similar work and accepting similar responsibilities.

The need for such a committee has been further emphasised this past week by the announcement of greatly increased pensions and allowances to be paid as from November next. If the Post Office and the other powers that be behave in the same way as previously, sub-postmasters will be handling and accepting the full responsibility for all the additional money involved without any financial consideration whatsoever for so doing.

Sub-postmasters are now on average handling and accepting responsibility for three times the amount of cash that they were seven years ago, but no consideration at all has been given for this side of our employment.

I feel certain that the sub-post office system is easily the cheapest form of the money-handling service in our country.

Arthur B. Wait.
New Street.
Cwmbran, Monmouthshire.

Wages control

From Mr. A. Kraus.

Sir,—With reference to Mr. R. G. Seddon's letter (May 14) I would like to make the following comments.

If wages and salaries are increased and then heavily taxed this would not make much difference to inflation in the country. The simple reason is that every factory, or every business, calculates its costs on actual wages and salaries, and tax deductions do not come into the calculations. If wages and salaries are high then the product is more expensive and we would lose competitiveness, and it does not matter how much tax is afterwards deducted from wages and salaries. On the contrary, the less tax deducted the more money remains in the hands of the public the more they can buy and higher the production.

Alexander Kraus.
Lyon Manufacturing and Trading Company.
79, Bow Road, E.3.

Small savers

From Mr. M. Marriott.

Sir,—The role of the National Savings Movement in the fight against inflation appears to be being neglected. A radical revision of the tax incentives applied to National Savings and of the possibilities of indexation combined with leadership and exhortation to save could lead to part of the present round of 30 per cent. wage increases being temporarily syphoned out of the inflationary spiral.

Tax incentives in National Savings are through tax free interest and bonuses. Apart from needing complicated calculation to establish the benefits, these often do little more than make a low actual interest rate competitive on an after tax basis. They do not provide an immediate incentive to save. Wealthier savers receive tax concessions on life insurance and mortgages at the point of saving. Should not small savers be given the same encouragement? If some form of savings allowance was included in the PAYE calculation, it would counter the deductions eating into wage packets and saving would be encouraged. Tax could be deducted at source on redemption on interest paid.

The first indexed National Savings schemes begin in June and July. This is a welcome step in the right direction, but these schemes offer virtually no real return. All that is offered is a means of maintaining the real value of the money saved. Whatever the merits of indexation on a wider scale, surely it is fair and reasonable to provide it, plus a competitive return, for the small saver.

The establishment of an indexed save as you earn scheme yielding a reasonable return combined with a tax allowance and promoted by exhortation to save from the Government and the TUC could remove some of the inflationary demand created by recent wage increases. It would also provide savers with reserves to fall back on when the price rises and unemployment arising from those wage increases materialise.

Martyn Marriott.
24, Queensdale Road, W.11.

Chrysler cash

From Mr. B. E. Robinson.

Sir,—Now that Chrysler U.K. has succumbed to the unions' latest wage demands we hear that the company may have to borrow from the Government under the Industry Act or from Finance for Industry in order to pay the increases. Surely here is an opportunity for Ministers to put into action their words that inflationary pay claims must be curbed.

If unions feel that all their demands can be financed in this way then clearly there will be no end to the spiral—and it will be Government-supported. In the case of Chrysler it will also make a total mockery of the critical comments directed at the strikers by Mr. Wilson

B. E. Robinson.
122, Kenilworth Court, Leamington Road, Coventry.

No seal of approval

From Mr. D. A. King

Sir,—Is it not time that that awkward instrument, the Company Seal, was abolished? For the last 25 years or more the only really practical use of the private company seal has been as a door-stop or a paperweight in a professional office: and, while some early examples make handsome ornaments, the modern article is inelegant and difficult to send by post. Already it is cheaper to replace one than to amend the dies. Surely a printed wafer, produced and applied in accordance with regulations, would serve the same necessary purpose with ease and efficiency?

D. A. King.
16, Stratford Road, Thornton Heath.

Parliamentary pay

From Mr. J. H. Richards.

Sir,—I note that MPs may be due for a large pay rise.

If there is a glut of eggs or butter, the price, without intervention, usually drops, or stabilises. At the general election, each constituency generally had at least three or four candidates eager and willing to become MPs. They all knew the pay and conditions and, presumably, were willing to accept them.

Therefore, if the present members decide they now cannot manage on their present salary and fringe benefits, let them resign and allow others to have the chance. I guarantee there would be no shortage of volunteers to work the "appalling hours," and they could hardly be worse than the present lot.

J. H. Richards.
15, Crane Way, Whitton, Twickenham, Middlesex.

On the wrong track

From the Director, The British Road Federation.

Sir,—Mr. E. R. Gurney appears to be confused in his letter (May 22) on the issue of taxation versus cost in the road-rail argument. He does not agree that "road transport pays many times more in taxation than the internal costs of the track it uses."

The Road Track Cost Report provides details of the ratios of revenue to cost by vehicle type and shows that in 1970-71 (the latest figures) cars paid double, heavy goods vehicles one and a half times and public service vehicles marginally less than, their total cost of operation.

Road users provide 12 per cent. of the nation's revenue, less than half of which is spent on new construction and maintenance. The ratio of expenditure to revenue in the U.K. is low compared with other Common Market countries. A recent report of a Labour Party study group set up by Mr. Anthony Crosland in 1973, states that "the case for taxing all modes of transport, including railways and air transport, on a common basis is strong. It is difficult to see why road users in particular should be subject to specially high rates of taxation."

In contrast, the Railways Act, 1974, reduced the total capital cost to be carried by BR to £250m. and provided a handsome £1.9bn. subsidy for the next five years. At the present rate of £450m. in operating costs per year, a rising figure, this should last about three years. Undoubtedly British Rail will come forward, cap in hand once again.

Far from roads being subsidised, as Mr. Gurney infers, some approved road schemes, delayed for more than a year, carry high economic rates of return, ranging up to 38 per cent.

R. H. Phillipson.
26, Manchester Square, W.1.

Yevgeny who?

From Mr. M. J. Lunan.

Sir,—I am sure you view with as much distaste as I the re-emergence of the debate about how to spell the fellow who wrote the opera (also with dubious spelling) reviewed to-day by Elizabeth Forbes (no doubt about her, anyway). What are you going to do when André Thing appears as soloist in Thing's B flat minor piano concerto?

p.s. I like your City page.

Michael J. Lunan.
The Stock Exchange, London, E.C.2.

WITH FIVE DAYS BEFORE WE VOTE, TWO LEADING CAMPAIGNERS PUT THEIR CASES

Five positive aims

By the Rt. Hon. ROY JENKINS, MP

THE time has now come for this country to choose between the basic alternatives facing us in international relationships and trading patterns. The European Community is by far the largest and most powerful grouping in world trade. Since we joined, in spite of the inevitable tensions and uncertainties of our position, the Community has shown encouraging development in its progress from an originally rather defensive customs union towards becoming a far more outward-looking force in the world.

Free trade

We have been able to play a considerable part in the negotiation of the Lomé Convention and other agreements with developing countries, in nailing the lie that the European Community is a rich man's club, unconcerned with the problems of other countries and continents. Our membership of the Community does not, of course, make us all-powerful in negotiating international trading and financial arrangements; but it gives us our only realistic chance of protection for ourselves and influence on behalf of others in a rough and increasingly uncertain world.

If we were to withdraw from the Community the country would have to choose between two profoundly unattractive courses of action. First, there is the "free trade area" alternative, which finds support from a random selection of individuals dotted round the political landscape. Supporters of this view argue that, after withdrawing from the Community and tearing up one treaty, we could then, without undue difficulty, negotiate another to give us free trade with it.

We might be able to achieve this—but it would be a bruising, difficult, long job in the midst of great uncertainty about our future. There is no likelihood that our former EFTA partners would welcome us back. What is certain is that to achieve a free trade agreement with the Community we would have to accept many of the rules and agreements on regional and industrial policy which so excite the anti-Marketeers. The difference would be that inside the Community we have a significant share in determining these policies, while outside we would have none. *What I want for Britain is real influence, not paper power.*

The "free trade area" alternative has one other fatal flaw. I do not for one moment believe, any more than did the recent authoritative National Institute of Economic and Social Research study, that the deterioration in our foreign trade position since 1972 has been caused by our joining the Community. *Post hoc ergo propter hoc* is the hoariest old fallacy in the text-book of economic as well as political argument. Our trade deficit with the EEC has increased from less than £600m. in 1972 to over £2.2bn. in 1974. But our total deficit has also been increasing. Over this same period our deficit with the whole world increased from £1.4bn. to £6.6bn. In fact, our *deficit with the EEC has grown more slowly than our total deficit:* the former increased 282 per cent., the latter 376 per cent. over 1972-74. *As a result,* the share of the trade deficit due to trade with the EEC has decreased from 41.6 per cent. to 33.4 per cent.

Food and oil

Looking more closely at the trade figures, it can be seen that of the £1bn worsening in the deficit with the EEC between 1973 and 1974, a full £500m. was due to the increase in food imports. The great rise in world food prices caused a shift to importing more food from Europe at prices below world prices. The £500m. would have been spent somewhere in the world, and if outside the EEC would have been an even larger sum. *Nor must we forget the oil price rises* which added about £300m. to our deficit with the EEC between 1973 and 1974.

If we ignore both food and oil, the picture is that in trade with the EEC we moved from a surplus of £7m. in 1972 to a deficit of £714m. in 1974, whereas with the whole world the *movement was from a surplus of* £1.3bn. to a deficit of £24m. In fact if our exports and imports of goods other than food and oil had changed throughout the world in the same way as they did in our EEC transactions, we would still be in surplus by £150m. on this account.

But even if the reduction of tariff barriers inside the Community had caused our trade deficit, how would a free trade agreement with our European partners solve that? Those who propound the free trade area "solution" argue from a *misleading interpretation of the past* to a fallacious conclusion for the future.

But there is a separate and entirely different faction in the ranks of the anti-Europeans. They believe in something which is totally abhorrent to any notion of free trade with anybody, either in our own coun*try or outside it. They believe in* a siege economy, relying on direct controls to stop the imports we buy from outside and a prayer that the rest of the world would go on buying from us. The immediate effect would be a sharp rise in the cost of living in this country as attractively priced imports were shut out. The poorest consumers would be hardest hit. Our industry would gradually grow even less competitive and efficient as it sheltered behind high tariff walls, while jobs and investment in our export industries would vanish like drops of water in the desert. As a country which has recently been consuming 5 per cent. more than it produces we are uniquely ill-placed to gamble with policies of this kind.

Throats

So a "No" vote does not begin to settle what sort of policies the country would pursue. No sooner had the antis succeeded in separating us from our partners in Europe than they would be at each other's throats arguing about which of the two mutually incompatible "strategies" they wished to pursue — "free trade" with the classical economists, or a "siege economy" under the guidance of those who want to cut Britain off from the Western world.

The world of big blocs and big powers provides an important reason for us to stick firmly together with our neighbours. But I lay at least equal stress on the positive reasons for staying in based on the way I want the world to develop as the next decade unfolds. My view of Britain's place in the world rests on five fundamental aims.

Rivalry

First, I want to see the maintenance of Atlantic ties, but on the basis of a more equal partnership between America and her European allies than has hitherto been possible. Second, I want to see the age-old rivalry between France and Germany, which has so damaged the civilised world for the past century, remaining firmly buried but not replaced by any alliance of hostility to ourselves. Third, I want to see a relaxation of tension between East and West and a balanced reduction of arms in the centre of Europe. But I believe that the strength and cohesion of Western Europe is essential to such a policy of successful detente. The Soviet Union negotiates seriously with those who are strong and united, not with those who are weak and in disarray. Fourth, I want Europe, as a rich and relatively fortunate continent, to continue to increase its efforts to help the poorest of the world. I want both the quantity and the quality of aid to be improved. And I believe we should reject the new paternalistic imperial*ism of people who claim to have* the interests of developing countries at heart while dismissing their clear view that we should stay in the Community. Fifth, as China whether she likes it or not takes her place as the third of the superpowers, I want to avoid a world in which they, the superpowers, and no one else, decide everything for themselves. I want a stronger political influence for Europe.

I also want, as I believe do most people in this country, an opportunity for us in Britain to continue to exercise an influence, for good as we hope, more in keeping with our history than our size. *I believe that every* one of these objectives is likely to be assisted if we stay in the enlarged Community, with every one of them gravely imperilled if we pull out.

Better off outside

By the Rt. Hon. DOUGLAS JAY, MP

WHAT would be the real prospect for British trade and industry if the electorate were to vote "No" in the referendum and Britain withdrew from the Common Market? Nothing in the current debate has been more confused, and distorted than this question. As a result, the myth that British industrial exporters would be faced with a high protective tariff in the Six if we withdrew has been propagated, and believed. There is no truth in this.

The hard facts are these. Since 1972 all the present EFTA countries — Norway, Sweden, Finland, Austria, Switzerland, Portugal and Iceland—have been operating a growingly complete industrial *free* trade area with the EEC as well as with one another. Tariffs will be near zero by January, 1976, and *will be abolished*, apart from on a few "sensitive" products, by 1977. Britain is already continuing industrial free trade with the EFTA countries, and will therefore have reached a near-nil tariff situation both ways for industrial goods with the EEC and a fully-nil tariff situation with EFTA by the end of this year.

If, therefore, Britain decided later this year to withdraw from the EEC, and proposed a continuation of this status quo for industrial goods, the situation would be as follows. We would *offer to maintain these free-*trading arrangements (apart from any short-term balance of payments measures) and to allow the last 20 per cent. of reciprocal tariffs between us and the EEC to disappear.

In this situation, no tariffs would be raised against British goods unless some other country proposed this and persuaded the rest of either group. Such a proposal would be inherently absurd, since it would involve discriminating unilaterally against the U.K. alone of all the 16 countries of both groups. Who would put forward so ludicrous a plan? Certainly not the EFTA countries, since they have everything to gain by continuing their free trade relations with us.

Nor would any EEC country (other than, conceivably, France) do so, since such a proposal would not merely be devoid of common sense but contrary to the trading interests of these countries — West Germany above all — which are selling far more to us than we to them. No doubt our trade with them is a larger percentage of our total trade than theirs with us from their point of view. But this is irrelevant. What matters to them is that a mutual raising of tariffs would worsen their trade balance and improve ours.

Admitted

The more candid pro-Marketeers admit this. The *Economist* of May 10, after listing the alternatives, said: "None of this need spell disaster for *Britain,* despite the pro-Marketeers' alarmist claims. After a No vote, both Britain's and the Eight's desire for a quick break would no doubt focus official minds on quickly solving the legal and technical snags of withdrawal." Mr. Roy Hattersley, speaking in the Commons on April 30, similarly declared: "I have never doubted that if we were to leave the Community we would be able to negotiate a free trade agreement of some sort. My concern relates to the price that we should have to pay for such an agreement." But these sorts of conditions, which we have long practised in GATT and EFTA—rules of origin and so forth revised from time to time—are not materially objectionable or damaging.

It would, of course, be necessary, as in the case of Norway, to devise a legal *framework* for the new regime. But many seem still not to have realised that the timetable will greatly ease the practical difficulties here. The necessary legislation to effect withdrawal—the repeal of the European Communities Act by the British Parliament—would take some months, and perhaps nearly a year, from the referendum date. During this period it would not be legal for either the U.K. or the other EEC countries to erect industrial tariffs against one another. It would *thus* require only a modicum of common sense on both sides to devise a legal form for the desired settlement by the time the repeal Act took effect.

Thus the sedulously fostered notion, sincerely believed by many in British industry, that withdrawal would automatically mean the erection of high tariff barriers is based on illusion. Equally important, but as little understood, is the real alternative possibility. Even though highly improbable, a mutual re-erection of industrial tariffs between the EEC and U.K. alone, though somewhat reducing total trade, *would certainly swing* back the trade balance more in favour of this country. In these circumstances, one must assume that industrial free trade with the Irish Republic and Denmark would be continued in any case, since few people, if any, would wish for new tariffs between the U.K. and Ireland; and Denmark has already decided to hold a new referendum if the U.K. votes to withdraw. The only trade at issue, therefore, is that in industrial products between the U.K. and the old Six, which still represents *barely 30 per cent.* of this country's total trade.

But the Common External Tariff of the EEC on industrial goods since the Kennedy Round *averages only about 7 per cent.*, and the U.K.'s average is rather higher. Both are likely to be cut a few points further in the Tokyo round of GATT negotiations which has already begun. What is really at stake in any new arrangement from 1976 onwards is thus an EEC tariff averaging about 5 per cent. on only 25-30 per cent. of British exports and a rather higher British tariff on our industrial imports from the Six. Though, therefore, the re-erection of tariffs is most unlikely, the fact remains that, were it to happen, the consequence would be only a minor change in Britain's total trade and, since our industrial tariffs are a little higher, a minor swing *of* the trade balance in our favour.

A free trade agreement with both the EFTA and EEC groups is, therefore, almost certainly attainable, if we wish to have it, and the less probable alternative would at any rate improve our present disastrous trade deficit with the EEC Six. But, *say some,* how would withdrawal and the maintenance of full industrial free trade help to cut this deficit which is the source of so many of our troubles? The answer is that the substitution of a West European free trade area for EEC membership on present terms would have decisive long-term benefits for Britain's future.

First, it would restore full Parliamentary sovereignty over British legislation and taxation. This, some may still think, is worth quite a lot. Second, it would remove from our balance of payments the growing burdens of the Common Agricultural *Policy* and the EEC budget. Third, it would lower our labour costs comparatively by releasing us from artificially dear food. And, finally, it would restore to us the invaluable right, which prevails in EFTA but not in the EEC, to impose temporary import quotas when in a balance of payments deficit.

Most crucial

Of these, the latter two are the most crucial economically. It is merely absurd to deny that *full freedom to buy our food* at any time without artificial restrictions must mean on the average over time lower prices and therefore lower costs in British industry than if this freedom is denied us. Mr. Fred Peart has admitted again this week that, but for EEC restrictive devices, lower food prices would be available: he announced his fears "that the release of large stocks of beef building up in intervention stores in Ireland could result in the sudden collapse of the U.K. *cattle and beef markets* later this year." By "collapse in the market" Mr. Peart means that prices would go down not up. The greatest gain of all to Britain's future competitive power would be secured by our return to the policy of holding down living costs, and therefore industrial costs, rather than artificially pushing them up.

For the truth is that in the end Britain can achieve solvency only by importing raw materials and food at the lowest possible cost and economising in the import of manufactured consumer goods. EEC membership forces us to do exactly the reverse. That is why we have now in 1975, even after counting in the cost of oil, reached the remarkable situation where our huge trade deficit with the EEC Six accounts for the whole of our current balance of payments deficit with the entire world.

LABOUR NEWS

Most ITV companies return to the air

BY LORELIES OLSLAGER

MOST OF Britain's independent television companies returned to the air yesterday, but the television technicians' unresolved pay dispute that caused the week-long blackout kept Scottish television from resuming broadcasts.

Technicians there refused to return when the companies ended their lockout early yesterday morning in line with the national agreement reached with the men's unions, the Association of Cinematographic, Television and Allied Technicians, on Thursday.

They want *to get paid* for the four days they were locked out after their strike last week-end.

The Scottish technicians are also demanding immediate payment of the £231 a head which the union claims is owed to them since the days of the Conservative pay restraint.

When the national deal to resume broadcasting was made on Thursday, the companies said they were not going to meet this claim, while the union insisted that it was still on the table and would be discussed next week.

The employers have asked ACTT to instruct the men to return to work and observe agreed procedures.

Ford sends 1,000 home after walk-out

FORD lost production of 90 new Escort models at its £93m. Halewood factory, Liverpool, yesterday when 1,000 hourly-paid workers had to be sent home after a walk-out by 12 key men.

Six of them had received a *recorded verbal warning for* leaving work without permission a week ago. They objected to the *finding and* asked for it to be withdrawn.

The walk-out occurred while discussions were going on and the company said it had no alternative but to send the others home. This halted production for the final two hours of the day shift.

A management spokesman said it was hoped to resume full production to-morrow with a week-end overtime shift which had already been arranged.

Provincial papers dispute threatens Fleet Street

BY OUR LABOUR STAFF

A WARNING of possible industrial action against national newspapers came from the National Graphical Association yesterday, which protested about a letter sent to provincial newspapers with whom the NGA is in dispute over pay.

The letter, sent by the Newspaper Society, the employers' body, spoke of deteriorating finances and urged NGA members to seek to get the sanctions lifted by the union's national executive.

Mr. Joe Wade, NGA assistant general secretary, said any further attempts by the NS to "intimidate" members while a ballot on the pay offer was being conducted could lead to action against national newspapers connected with provincial newspaper groups.

Publication of the Economist magazine has been delayed until to-day or Monday by the NGA action.

Chemical workers' 23% offer goes to ballot

BY LORELIES OLSLAGER, LABOUR STAFF

WORKERS in small and medium-sized chemical companies throughout the country will be balloted in the coming weeks on a 23 per cent. pay offer plus better shift allowances and overtime rates.

The employers' "final offer" would increase the *minimum* basic rate for chemical workers from £24.50 to £33.32 this summer, but only two-thirds of the increase would be "new money." The remainder would be accounted for by consolidating other payments into the basic rates.

Threshold payments in the industry have already been consolidated.

The unions had asked for a £10.50 new money rise. Union leaders will make no recommendation for the ballot.

Buy British to help our payments—Shore

BY JOHN HUNT

MR. PETER SHORE, Trade Secretary, yesterday advised British consumers that wherever possible they should buy goods made in the U.K. in preference to imported goods.

According to Mr. Shore it was their duty to "buy British" in order to improve job opportunities and domestic prosperity as long as our balance of payments difficulties last.

His remarks followed his statement at the OECD meeting in Paris on Thursday when he criticised countries such as West Germany and Japan which had strong trade surpluses and urged them to do more to help less fortunate countries.

At a Press conference of the anti-Market National Referendum Campaign Mr. Shore indicated that it was surplus countries which he had in mind with his "buy British" statement. He singled out the car exporters of Germany, Italy and France for particular criticism.

Controls

Asked whether he was making his remarks with the Common Market campaign in mind, he replied: "It would be entirely good advice in any circumstances."

In a statement to the Press conference Mr. Shore said that while we were still in a state of deficit people should look very carefully at what they were buying and where the goods came from.

He was wholly in favour of people buying what they wished when we were in balance with our trade. But he found it astonishing at a time when Britain was in great difficulties that so many people seemed to be buying goods from other countries without thought for the consequences to the future prosperity of the British economy.

During heavy questioning, Mr Shore said he was not advocating import controls — merely that people should look very carefully at the country of origin of the goods they bought.

Retaliation

As a result of individual consumer decisions over the past three years, Britain had imported 750,000 cars from Germany, Italy and France. He believed that these people had taken these decisions without careful thought.

His remarks were aimed at those countries in a strong balance of payments situation who "squeezed up production into export markets" in a way that was wholly damaging to the prospects for prosperity in the world trading community.

Asked if this would not lead to Germany and France retaliating against British goods, he said that no doubt they were aware that surplus countries had a major obligation if the world was not to be forced into recession and large-scale unemployment.

Index-link savings bonds appear on Monday

BY CHRISTOPHER HILL

THE NEW index-linked National Savings Certificate for people of retirement age will be on sale from Monday at Post Offices and branches of the Trustee Savings Banks. The Department for National Savings says that, with 20,000 Post Office outlets, they cannot guarantee that prospectuses will be available everywhere, but the explanatory leaflet will be ready.

The estimated number of people entitled to subscribe (men over 65 and women over 60) is 9m. and copies of the explanatory leaflet will be given to pensioners the next time they go to collect their pensions. About 6m. prospectuses have been printed.

The maximum purchase is £500 and the certificates have a life of five years. The nominal value will be increased in line with the Retail Price Index, on a monthly basis. The gains are tax-free and surrenders after one year will be eligible for the RPI revaluation. Pensioners who hold their certificates for five years will attract a 4 per cent. bonus on the purchase price in addition to the RPI revaluations.

Save as you earn

From July 1 details of the new Index-Linked Save-As-You Earn scheme will also be available from Post Offices and banks, including Trustee Savings Banks. The clearing banks have been notified that they will receive the prospectuses before the issue date. About 9m. have been printed.

The maximum monthly contribution is £20; the basic term is five years with index-linking in line with the RPI. But the investor can retain his holding for a further two years and receive a bonus of two months' contributions on top of the index-linking benefit. Early surrender entitles the investor to his contributions back plus a 6 per cent. interest rate if he has invested for over a year.

COMPANY NEWS + COMMENT

Charterhouse falls to £1.47m. midway

AFFECTED BY the decision to defer realisation of certain development and venture capital investments and by a loss incurred by Charcon in the construction industry, profits of the Charterhouse Group in the half year ended March 31, 1975 have fallen from £3.25m. to £1.47m.

A "substantial recovery" is expected in the second half, although it is expected that profits for the year will not match the £7.86m. of 1973-74.

Charcon's loss was struck after exceptional costs of production rationalisation. Although the construction industry as a whole is likely to remain in a depressed condition until next year, appropriate measures have been taken in Charcon to achieve profitability in the second half and to provide a sound base for the future upturn.

The banking group maintained its strong liquid position and, as with the insurance broking companies, achieved satisfactory results.

The interim dividend is held at 0.875p net per 25p share; total for 1973-74 was 3.05p.

	1975 £000 Half year	1974 £000 Half year	1973-74 £000 Year
Turnover	*54,100	47,100	105,514
Profit before tax	**1,470**	**3,254**	**7,855**
Devpt. & venture capital	254	1,625	2,652
Manufacturing	213	933	2,276
Distribution and services	1,173	543	1,777
Insurance broke.	603	347	1,235
Banking, etc.	†649	514	1,959
Central interest and expenses	1,454	1,207	3,054
Minority	3	4	120
Taxation	774	1,334	3,596
Net profit	693	1,718	3,839

* Excluding development and venture capital and banking. † After transfers to inner reserves.

Statement Page 5
See Lex

HIGHLIGHTS

Arthur Bell, the Scotch whisky house, is raising funds by a combination of a rights issue of equity and a placing of debenture stock with a 16¼ per cent. coupon. Comment on this appears in the Lex column, where there is also discussion of the Charterhouse Group interim results. Normand Electrical has had a better second half and turns in record profits, but the results from Geers Gross still bear the imprint of the first-half downturn. In the Bids sector Croda has declared its offer for **Midland Yorkshire** unconditional but the bid for **Dowding and Mills** by General Electric has lapsed.

Deficit at Bonas Webb

A PRE-TAX loss of £74,251 for 1974 is reported by textile manufacturers, **Bonas Webb** compared with a profit of £208,633 for the previous 15 months. Turnover was £2.16m. against £2.62m.

The final dividend is 0.5p net. There was no interim for the previous period dividend were equal to 1.47p.

The directors say that the three-day week and the severe recession in the textile industry have resulted in the loss. However liquidity has been maintained by the sale of one unprofitable subsidiary and the winding-down of another. The substantial capital investment programme at the interlining factory at Worcester has now been completed, overheads reduced and production capacity increased.

With effect from May 30, 1975, the subsidiary, Webb Interlinings has purchased the interlining and tie lining business of Stroud Riley and Co. The turnover of this business, which in the year to March 31, 1975 was in excess of £1m. will be transferred to the factory at Worcester and it is envisaged that the company will benefit substantially from this acquisition.

	1974 £	1972-73 £
Group turnover	2,158,557	2,677,951
Trading loss	6,451	*235,960
Other income	57,221	16,919
Interest payable	125,021	42,245
Loss before tax	**74,251**	***208,633**
Taxation	35,650	99,500
Extraordinary debits	53,017	—
Pre-ac. and minorities	21,247	35,171
Loss attributable	184,165	*83,962
Dividends	9,996	25,600

Witan Invest. earnings up

Earnings available for Ordinary holders of **Witan Investment** in the year ended April 30, 1975 were up from £1.01m. to £1.16m., equal to 1.88p (1.79p) per share.

The dividend is held at 1.5p with a final of 0.75p. Payment on the "B" Ordinary is 0.065p (0.067p) and the rate of the scrip issue will be announced when agreed with the auditors.

At April 30, net asset value was 87.8p (81p). The contingent 25 per cent. currency surrender represented 6p (2.6p) per share.

	1974-75 £000	1973-74 £000
Gross income	4,127	3,973
Interest charges	1,838	2,022
Management expenses	333	264
Net taxation	699	377
Pref. and "B" divs.	91	95
Ordinary earnings	1,167	1,015
Ordinary divs.	982	948
Invest. valuation	87,916	83,111
Fixed deposits	4,166	4,166
Net current assets	5,343	9,567
Debenture, & currency lns.	23,472	25,946

Geers Gross recovery trend

SECOND HALF profits from advertising agents and consultants Geers Gross have been almost maintained at £142,270. This gives a total of £154,111 for 1974, against £215,858.

The dividend is held at 3.82p net per 10p share, the final being 2.36p. Earnings are shown at 5.1p (10.3p) after allowing for shares issued in connection with the acquisition of Thomas Browne Group.

Turnover showed some improvement at £3.6m. (£3.31m.). After tax £96,270 (£102,493) net profit came out at £57,841 (£113,360).

Although profits were down, the net profit percentage still remains one of the highest in the U.K. at more than double the industry average, the directors state.

● comment

Geers Gross has all but maintained second-half profits, leaving the full year down by 29 per cent. But the latter part of the year took in billings of £½m. from T. Browne (perhaps profits of £13,000) and 2 months' rental income on a property acquired and leased out. So it seems a fair bet that the rump of the business was still lagging behind in profits, but there was pressure on margins aggravated by the purchase of new property. For this year, Browne could chip in a full-year profit approaching £90,000 and there will be the benefit of "substantial" rental income. Of course, the problems of the early months of 1974 have not recurred, so the original business should be good for over £150,000. The shares were unchanged on the results at 45p where they yield 13.8 per cent.

Marginal rise at Allied London

Profit before tax of **Allied London Properties** increased slightly from £374,899 to £384,821 for the half year to December 31, 1974.

In net terms the interim dividend is down from 0.8375p to 0.8125p but is held at 1.25p gross.

For the full year to June 30, 1974, dividends totalled 2.327p net and pre-tax profit £794,067.

The directors say that the six months proved no less difficult and exacting than the previous period and in the circumstances the Board considers that the interim results are satisfactory.

Since the beginning of the year the relaxation in the rent freeze and the general reappraisal of the property world has created a somewhat easier atmosphere, they add.

The company's own activities "continue to go forward steadily and progress is being maintained." In present conditions, however, until the full implications of the proposed Community Land Bill and the Land Development Gains taxation proposals are finally established, the company does not propose to proceed with any major commercial development. It is a situation which must have long-term adverse effects on the construction industry which forms such an important part of the economy of the country, the directors say.

The current Finance Bill includes provisions affecting the taxation of shareholders who receive further accumulating shares. As soon as the relevant provisions in the Bill have been passed through Parliament the Board will be able to consider whether accumulating shares should be either modified or discontinued and will advise accordingly.

United Eng. turns in £462,000

FOR THE 16 months ended January 31, 1975 **United Engineering Industries** reports a profit before tax of £461,644 compared with £479,132 for the previous 12 months.

Earnings per 10p share are shown at 2.86p (3.5p) and a final dividend of 1.34p net makes a total of 2.2066p (1.75p).

	16 mths. 1974-75 £	12 mths. 1973-74 £
Turnover	11,245,[illegible]	17,179,775
Profit before tax	**461,644**	**479,132**
Taxation charge	253,674	220,424
Net profit	207,970	258,708
Exceptional credit	1,671	*31,186
Attributable	209,641	[illegible]
Dividends	160,628	127,352

* Debit.

● comment

United Engineering has undergone such transformation in the last sixteen months that it would be unwise to draw too many conclusions from the latest figures. On an annualised basis, profits are 28 per cent. lower on a 30 per cent. fall in sales, and while that must owe something to the difficult trading conditions which prevailed it probably has more to do with the group's recent streamlining operation. This involved stripping out two motor car distributorships and all the machine tool and plant hire interests. This has apparently led to a considerable reduction in short-term borrowings — £1.35m. net in 1972-73—and the group expects interest charges to be negligible in the current year. At the same time activity is beginning to pick up particularly on the engineering side which now accounts for two thirds of profits. But a 21.0 per cent. yield at 17p. Underlines the uncertainty.

Attwood Garages

After falling from £44,752 to £21,127 in the first half, taxable profits of **Attwood Garages** finished the year to January 31, 1975, at £60,583 compared with £133,052 in 1973-74, before tax of £40,587 (£70,032). Turnover was £5.36m. against £6.42m.

Earnings are shown to be down from 3.05p to 1.38p per 25p share. The net dividend is held at 1.45p with a final of 0.8375p. Total cost is £30,451 (same).

Second half upsurge at Normand

COMPARED with the interim forecast of "similar" results for the full period, pre-tax profit of **Normand Electrical Holdings** improved from £665,000 to a record £791,000 for the 12 months to March 1, 1975, after £364,000, against £383,000 at halfway.

Earnings per 20p share are shown to be up from 5.6p to 6.2p and the dividend is raised from 1.9643p to 2.1346p net, the maximum allowed, with a final of 1.3471p.

The directors report that in the last 24 weeks of the year, the group increased output and with the slackening of world commodity prices managed to regain the profit margins which had been "raided" in the first 28 weeks.

Order books present, although not as strong as a year ago, give no grounds for undue pessimism, they say and the policy of increasing direct export sales has shown a worthwhile return and is being "pursued with vigour."

	1974-75 £	1973-74 £
Group turnover	6,500,000	4,755,000
Group profit on trading	867,000	708,000
Interest	76,000	43,000
Group profit before tax	**791,000**	**665,000**
Taxation	424,000	345,000
Net profit	367,000	320,000
Interim Dividend	44,100	39,200
Final dividend	75,440	70,601

● comment

An upsurge in second-half sales combined with lower raw material costs pushed **Normand Electrical's** pre-tax profits up by 31 per cent. to leave the annual advance at just under a fifth. Margins which were evidently well depressed at the interim stage recovered in the latter part of the year to leave the full year only 1½ points down at 12.2 per cent. Export drives, particularly for marine equipment where overseas sales account for over 55 per cent. of turnover, have proved fruitful, which is promising considering the effect that the imposition of 25 per cent. VAT could have on home sales. Although order books are looking a little slimmer than a year ago, Normand is quietly optimistic for this year. The shares registered the market's approval with a rise of 10 per cent. to 33p, where the yield of 10.4 per cent. is covered nearly three times.

£1.08m. loss at Metro Town

AN INTEREST charge of development properties of £737,000 was written off by **Metro Town and Central Properties** for 1974 and this change in accounting is reflected in a loss before tax of £1.08m. against a previous year's profit of £207,473.

The directors say that a number of properties have been sold or are in the course of negotiation to reduce both indebtedness and interest charges.

There is no dividend compared with 0.502p net last time.

Rental income produced £235,000 (£133,000).

North British Steel

Including £15,323 compared with £10,043 from sale of property, profits of **North British Steel Group** increased from £236,568 to £312,231 in the 28 weeks to April 12, 1975, before tax of £160,000 against £120,000. Sales rose from £2.24m. to £3.05m.

The interim dividend is 0.40625p (0.3685p) net. Last year's total was 1.25625p paid from taxable profits of £480,814.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allied London Props. int.	0.81	July 25	0.84	—	2.33
Attwood Garages	0.84	July 17	0.84	1.45	1.45
Bonas Webb	0.5	July 18	1.24	0.5	1.47(b)
Charterhouse Group int.	0.57	Aug. 14	0.87	—	3.05
Cons. Tea & Lands ...int.	19.5	July 18	6.7	19.5	6.7
Geers Gross	2.36	July 11	2.36	3.82	3.82
Grampian Television	Nil	—	1.24	Nil	1.87
Kayser Bondor	1.44	July 24	1.32	1.44	1.32
Metro Town	Nil	—	0.5	—	0.5
Normand	1.35	July 4	1.26	2.13	1.96
North British Steel ...int.	0.41	July 18	0.37	—	1.26
N. Ind. Improvement int.	1.5	June 27	1.34	—	3.16
Teith Holdings ...int.	8.13	July 18	5.27	8.13	5.27
United Engineering	1.34	—	1.4	2.21(a)	1.75
West Nile Holdings ...int.	13.44	July 18	12.31	13.44	12.31
Witan Investment	0.75	Aug. 1	0.75	1.5	1.5

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) For 16 months. (b) For 15 months.

BIDS AND DEALS

Why SMC favours Adwest offer

Sealed Motor Construction, which announces a trading loss of £225,094 and a further exceptional loss of £269,324 for the year ended February 28, 1974, sets out its reasons for favouring **Adwest's** bid in a letter which forms part of Adwest's offer document. SMC is also the subject of a bid from the **Myson Group**.

Mr. P. Pensabene, chairman of SMC, says that Adwest currently has no bank borrowings, has recorded 12 years of unbroken increases in trading profits and that SMC's "prospects for future capital growth are more soundly based with Adwest than with Myson."

He also points to the "volatility" of Myson's share price and notes that "although Myson has announced arrangements to convert £5m. of its overdraft into a term loan, the fact remains that the combined level of borrowings would be a considerable burden on the enlarged group."

In its letter Adwest says that SMC's circulating pumps will prove a useful addition to the range of engineering products offered by Adwest while the latter's "greater financial strength" will enable SMC to expand and permit "a more vigorous penetration of export markets."

After tax recoverable £212,000 (charged £527,000) SMC's net loss for 1974-75 came out at £282,000 (profit £430,000).

Because of the extremely difficult trading conditions in European markets, SMC found it necessary to provide in June, 1974, for potential losses arising from the non-recovery of trade debts totalling £269,324 due from its subsidiary, SMC Lowara Spa., and from another overseas debtor trading in Italy. The interest in this company was subsequently sold at a loss of some £125,000, which had been fully provided for in previous years.

With the exception of an indemnity given to its bankers in respect of a guarantee to a third party, amounting to £140,000 for which SMC holds a promissory note as collateral security, there are no other contingent liabilities relating to the disposal of this subsidiary.

THORN STATES ITS POSITION

The Office of Fair Trading is expected to report in about two weeks on the £10.4m. agreed bid made by SKF for **Sheffield Twist Drill and Steel**. On Thursday **Thorn Electrical Industries** announced that if the offer was allowed by the appropriate Government authorities it would make a counterbid, but it has not yet considered the terms of such a move.

If the Office of Fair Trading should refer the takeover to the Monopolies Commission, Thorn said yesterday that it would still pursue its offer. It is understood that Thorn approached the Office of Fair Trading some time ago about its attitude to a possible Thorn bid, but that when SKF sent out its offer document with a closing date of June 12, Thorn felt it had to make its position clear in case the offer closed before the Office of Fair Trading reported.

BSQ Securities £1.3m. for Court Hotels

BSQ Securities, a former Sri Lanka rubber producer which now operates as an investment concern, is making a £1.3m. agreed bid for **Court Hotels (London)**. This follows the announcement by Court on May 19 that an offer might be made for the company and its request for a temporary suspension of its share listing.

However, the deal envisaged also includes an agreement by Court to sell to Tollman Hotels and Tourist Industries, in exchange for the reciprocal assumption of certain liabilities, the capital of a subsidiary which owns and operates the Montcalm Hotel, London.

Tollman, a South African-incorporated concern, owns 53 per cent. of Court as a result of a bid earlier this year, and it has undertaken to accept BSQ's offer.

The BSQ offer is subject to Court shareholders—other than Tollman—approving the Montcalm deal, and also to the consent of the Bank of England and South African Exchange Authority to the various transactions. If the offer is referred to the Monopolies Commission it will be withdrawn.

Court's share price at suspension was 22p.

PENTLAND INDS. GETS OFFER

By Nicholas Leslie

A bid for **Pentland Industries**, the shoe importing and manufacturing and shipbroking group, is to be made by **Robert Stephen Holdings** valuing the company at £430,000.

This follows the purchase by RSH of 1m. of a total of 3.94m. shares in Pentland held by London and County Group. The balance of 2.94m. shares has been placed with the Edith and Isaac Wolfson Charitable Trust and Main Union Securities, a subsidiary of Braemar Securities.

The directors do not, however, anticipate recommending acceptance of the offer, it is stated.

The bid was announced yesterday, together with Pentland's preliminary results for 1974 showing a pre-tax profit sharply down from £251,000 to £67,000, the downturn largely due to a poor shipbroking performance. Tax takes £88,000 (£157,000) and there is an extraordinary debit of £49,000 (nil), leaving £39,000 (£157,000) available.

A provision of £86,000 was required for a terminal loss on closure of the Essex manufacturing unit. A final dividend of 1.79 per cent. (1.84 per cent.) is recommended, making a total of 3.46 per cent (3.59 per cent.)—a maintained dividend but the difference resulting from an increased tax rate.

The London and County stake in Pentland was sold at 44p a share—the price at which an offer will be made by RSH to holders of outstanding shares. The offer was expected to be despatched with Pentland's 1974 report and accounts.

MEARS BROS.

Mears Bros. Holdings expects to record a loss for the six months to March 31, 1975, partly because exceptionally wet weather has hampered work on many major contracts and partly because of certain non-recurring expenses in connection with the reorganisation of Mears in the North West.

But, the company says in a letter to shareholders, prospects for the rest of the year are much better, particularly in the plant and equipment distribution activities.

Mears' forecast is contained in a letter outlining the sale of MB Dredging Company to the Westminster Dredging, a wholly-owned subsidiary of Bos Kalis Westminster Group NV, for £782,000 cash which will be used to reduce Mears' indebtedness and strengthen its development base.

NO PROBE

Mrs. Shirley Williams, Secretary of State for Prices and Consumer Protection, has decided not to refer the proposed mergers between Knowsley and Co. and the London based activities of Northern Commercial Trust: and between Algemene Nederland Bank NV and Northern Commercial Trust to the Monopolies and Mergers Commission.

ARMITAGE BROS.

Armitage Brothers has mutually agreed that the sale of the majority of the assets of its catering division to Bournes Bakeries will not now take place.

Instead, an agreement has been concluded by Armitage with Birds (Derby) for the sale of those assets, including stock, for £50,000.

UNIT TRUSTS

M &G Guaranteed Bonus Bonds

M and G Trust (Assurance) is offering its new M and G Guaranteed Bonus Bond this week-end, enabling investors who pay tax at the basic rate a guaranteed net income of 8 per cent. per annum for four years. Income is paid annually on September 30, the first payment due in 1976. But investors who apply before June 30 will receive an interim 2 per cent. bonus on September 30, 1975. Higher rate taxpayers are liable in the amount of income in excess of 5 per cent.

At maturity on September 30, 1979, the investor can have his original outlay returned or convert into one of M and G's existing bond funds at a 20 per cent. discount of the initial charge. On death before maturity, the original outlay is returned in full together with the appropriate portion of the next income payment. The amount payable on surrender, however, depends on the level of interest rates at the time of cash-in. The minimum investment is £1,000.

● comment

The M and G Guaranteed Bonus Bond is very similar to the now defunct guaranteed income bond, in that the investment provides a guaranteed level of income over the term of the bond. The contract is, however, written as a single premium endowment assurance with guaranteed cash bonuses, the latter providing the income. The company is avoiding the pitfalls of guaranteeing generous surender values—instead it has linked the cash-in payment to the interest rate level at the time. The investment may be attractive to investors who are not yet ready to plunge directly into the equity or property markets.

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LAWSON HIGH YIELD

Lawson Securities is advertising the Lawson High Yield Fund this week-end, offering investors an estimated gross yield of 13.3 per cent. The fund is invested in a three-way mix of Preference shares, investment trust income shares and high yield Ordinary shares. The minimum investment is £100 and accumulation units are available.

● comment

The Lawson High Yield Fund remains among the leaders of high income trusts. The blend of fixed-interest Preference shares and high yielding equities offers investors a high level of initial income together with good prospects for future increases. Although shares are selected primarily for income prospects, high yielding equity shares tend to have above average capital growth prospects.

Prospectus page 8.

INTL. 'PIMS'

Schlesinger Trust Managers is advertising its International "PIMS" investment services this week-end. This offers the larger investor—the minimum investment is £4,000—the opportunity to invest overseas through the Trident International Growth Fund. The investor can save substantially on the dollar premium and take advantage of the tax concessions available to unit trusts. A share exchange scheme is available and investors also receive bi-monthly portfolio valuations and reports. Regular meetings are arranged with the investment managers.

● comment

Schlesingers believe that overseas shares are an essential feature of any private portfolio and the International "PIMS" offers investors the means to invest overseas using the tax advantages of unit trust investment and saving on the dollar premium. The underlying investment vehicle is heavily orientated towards the U.S. The investment prospects look good, but the U.S. market has tended to be a minefield for U.K. investors in recent years.

Prospectus page 28.

BARCLAYS UNICORN FINANCIAL

Barclays Unicorn is advertising its Unicorn Financial Trust this week-end which invests in banks, insurance companies and other providers of financial services with the aim of providing long-term growth of capital and income. The current gross estimated yield is 3.9 per cent. The minimum investment is £275 at current prices and the portfolio is almost fully invested—only 3.4 per cent. is in cash.

● comment

The Unicorn Financial Trust has risen by 59 per cent. since it was launched in 1967 and has been among the upper echelon of the growth trusts so far this year. The attractions are that financial companies usually do better than their industrial counterparts in an upturn; and the companies in this particular portfolio also have substantial overseas investments. The corollary to this is that financial companies are usually the worst hit in a downturn—as the events of 1974 proved.

Prospectus page 3.

S. & P. PLANS

The Save and Prosper Group is advertising its various schemes to enable investors to make use of Capital Transfer Tax exemptions. On offer is a regular premium scheme, The Flexible Investment Plan, and a single premium contract, The Investment Bond. These two plans enable investors to build up a fund, free of CTT, to pass on to their children or other beneficiaries. Alternatively, S and P is offering the Whole Life Protection Policy to enable investors to fund for the ultimate CTT liability, again making maximum use of the tax exemptions.

● comment

The introduction of Capital Transfer Tax has made it extremely expensive to pass on capital to children or grandchildren. So it is imperative that investors plan early to make maximum use of the exemptions in order to minimise the ultimate CTT liability. This can be done in two ways, either by building up funds that are tax free to be passed on to the ultimate beneficiary or by using the policy monies to pay the ultimate CTT liability. S and P offers the Flexible Investment Plan and the Investment Bond as vehicles to build up funds plus the Whole Life Protection Policy to fund for the ultimate liability.

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JASCOT COMPOUND

Jascot Securities is offering the Jascot Compound Fund this week-end. The aim is capital growth, but this is achieved by investigating in high yielding equities, thus offering investors a high income (the present yield is 10.8 per cent. gross) plus capital growth prospects. The minimum investment is £200. Accumulation units are available.

● comment

The Jascot Compound Fund has attractions for investors who are looking for capital growth and those who are interested in income. The basis of the capital growth objective is that good quality high yielding equities tend to be undervalued. An investor wishing to hedge his bets on both income and capital will find his requirements met in this type of fund. But it is likely that a fund which has a more definite aim will perform more actively if the full market continues after the Referendum.

Prospectus page 3.

Results due next week

As the country goes into the last stages of the Referendum battle the list of companies next week slims down. Still, there should be enough to keep the analytical machinery ticking over, with results from **P & O, Metal Box** and **Hanson Trust** topping the list. **De La Rue, MEPC** and **Morgan Crucible** will also be reporting.

With freight rates still declining and no sign of any easing in the escalation of operating costs the current year looks like being a very difficult one for the whole of the shipping sector and P & O is no exception. In 1973-74 profits rose from £34.2m. to £48.5m. pre-tax and the group forecast that although 1974-75 would see a reduction in the pre-tax level profits would not fall below those of 1972-73. This suggests a current year total of around £37m. before tax with perhaps £20m. of that coming in the first half (figures due Wednesday).

Metal Box's first half put up an impressive 40 per cent. growth in pre-tax profits, but it is unlikely that the second half can have matched this. Open top sales slowed down as the six week strike at Westhoughton took hold and the competition from glass bottles picked up. Sales of food cans increased at a steady rate, but the usual trading pattern was upset by strong demand in the first half, so the latter part of the year may have experienced an easing in turnover. Meanwhile general line (varied metal containers) results tend to follow the general economic pattern and overseas could have notched up some useful growth. Overall pre-tax profit of £38m. (£30m.) from Monday's figures look likely.

A first time contribution worth around £3.9m. from its new U.S. subsidiary Seacoast Products was a major feature of **Hanson Trust's** 1973-74 performance—profits up from £8.2m. pre-tax to £10.4m. A full 12 months from this subsidiary should help offset the continued weakness of the building materials division as well as the absence of property profits. With the group's construction equipment side still apparently performing well a pre-tax growth rate of between 10 per cent. and 15 per cent. looks a reasonable target with most of that probably coming in the second six months.

The substantial destocking by customers of De La Rue's formica division probably petered out by the fourth quarter, but this will be of little help to profits as demand from the building and furniture industries is still at a low ebb. By the third quarter pre-tax profits had fallen to £5.8m. (£6.6m.) including around £1m. first time contribution from Crosfield, while margins had come down to 2.3 per cent. against a comparable figure of 9.9 per cent. Printing of bank notes is moving ahead nicely and probably supporting the group so the full year pre-tax profits on Tuesday may reach £7.4m. (£9.2m.). But this assumes that Crosfield will chip in the full £1m. forecast.

Interim profits from **MEPC** on Wednesday will undoubtedly be down on the comparable period; the question is by how much. There are thoughts in the city of possible write offs in Australia and of the U.K. residential land bank, while MEPC faces problems in common with the rest of the property sector, of which the vast Manhattan Centre building in Brussels must be a fairly sizeable one. The outcome depends upon how much the group capitalises partly let buildings, but half year net pre-tax revenue is expected to fall somewhere between £4m. and £6m. (£8.6m.) although some recovery is possible in the current half.

Morgan Crucible has yet to publish its 1974 report and accounts, so forecasting what the first quarter figures on Monday will reveal is very difficult. However, the preliminary results in April showed profits up from £5.67m. pre-tax to £6.35m. and all divisions appeared to be enjoying reasonably high demand, especially the thermic side which specialises in energy conservation. With no sign yet that conditions have deteriorated a modest rate of growth in the first three months of 1975 may be expected.

Other results include the prelims from **Percy Bilton** and **James Finlay**, and the half-time figures from **Martin the Newsagent** on Monday. Tuesday should see the interim figures of **McCorquodale** while Wednesday is expected to bring the half-year results from **Hickson and Welch** and final figures of **Rotaprint. N. Greening and Sons** is scheduled to announce its annual profits on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Dividend (p)* Last year Final	Dividend (p)* This year Int.
FINAL DIVIDENDS				
Alida Packaging Group	Thursday	1.25	2.319	1.345
Alliance Investment	Wednesday	1.4	2.2	1.5
Ambrose Investment Trust	Friday	1.051	1.7	1.0
Bankers' Investment Trust	Tuesday	0.35	1.352	0.538
Baraoora Tea Holdings	Tuesday	—	Nil	—
Bibby and Baron (Holdings)	Tuesday	0.7	1.225(c)	0.9
Percy Bilton	Monday	1.05	2.345	3.7692
John Bright Group	Wednesday	0.975	1.05	0.95
Brook Street Bureau of Mayfair	Monday	1.09	2.72	3.072(g)
Buckley's Brewery	Thursday	0.273	0.36	0.275
Charter Consolidated	Tuesday	2.6	3.714	3.25
Cuo Holdings	Thursday	—	Nil	—
William Cook and Sons (Sheffield)	Friday	0.8	0.92	0.8
Culter Guard Bridge Holdings	Tuesday	0.875	1.575	1.005
James Dawson and Son	Monday	1.0	2.06	1.25
De La Rue	Tuesday	1.858	7.99	2.188
Elswick-Hopper	Monday	0.194	0.184	0.220(d)
Fairdale Textiles	Monday	0.4	0.817	0.4
Ferguson Industrial Holdings	Friday	2.1	2.1	2.1
Fine Art Developments	Wednesday	0.245	0.550	0.35
James Finlay	Monday	1.107	2.251(c)	1.875
Firmin and Sons	Monday	1.05	4.0	2.0
Gough Brothers	Monday	0.88	1.742	0.94
N. Greening and Sons	Thursday	0.35	1.03	0.35
Philip Hill Investment Trust	Wednesday	1.75	2.85	2.0
Holt Products	Thursday	0.7	1.385	0.7
I. and J. Hyman	Monday	—	3.41*	—
E. E. Jeavons	Thursday	0.7	1.345	0.75
Edward Jones (Contractors)	Wednesday	—	0.357	—
Macdonald Martin Distilleries	Monday	2.1	4.4	2.4
Metal Box	Monday	4.045	5.564	4.555
New Throgmorton Trust	Thursday	1.094(g)	0.7	0.544(g)
Rotaprint	Wednesday	1.05	1.398	1.05
Turriff Construction Corporation	Monday	—	2.15	—
Vernon Fashion Group	Tuesday	0.775	1.64	0.387
Viper Forth Investment Trust	Thursday	0.3	0.35(f)	0.47
Westbrick Products	Thursday	0.882	1.158	1.0
B. S. and W. Whiteley	Thursday	0.302	2.205	0.5
INTERIM DIVIDENDS				
J. H. Fenner and Co. (Holdings)	Tuesday	1.543	2.548	
Gloucester and Cheltenham Greyhounds	Friday	0.201	0.512	
Greenall, Whitley and Co	Friday	0.777	1.265	
Hickson and Welch (Holdings)	Wednesday	[illegible]	5.234	
Jessups (Holdings)	Thursday	0.432	0.785	
Keystone Investment	Tuesday	1.25	2.75	
Land Investors	Tuesday	0.75	1.26	
Martin the Newsagent	Monday	1.658	2.003	
A. J. Mills (Holdings)	Tuesday	0.21	1.41	
McCorquodale	Tuesday	3.69	7.7	
MEPC	Wednesday	1.75	2.75	
Peninsular and Oriental Steam Navigation	Wednesday	2.0	2.99	
Rand Selection Corporation	Thursday	30	40(e)	
SA Townships, Mining and Finance Corpn	Wednesday	25	40(e)	
Spencer Clark Metal Industries	Thursday	0.6	1.2	
Sterling Trust	Wednesday	1.4	4.45(b)	
United Scientific Holdings	Tuesday	1.7	1.75	
Yorkshire and Lancashire Investment Tst.	Tuesday	0.55	0.7	
INTERIM FIGURES ONLY				
Glenmurray Investment Trust	Wednesday			
Hanson Trust	Monday			
Morgan Crucible	Monday			

* Dividends shown net, pence per share, and adjusted for any intervening scrip issue. † Includes special interim. ‡ Total dividend—final figures due. § For 15 months. ¶ On "A" shares. (a) First quarter figure. (b) Declaration of dividend only. (c) Second interim. (d) Forecast 0.3p final. (e) Cents. (f) For nine months. (g) Includes second interim.

Reports to meetings

The following are extracts from reports by chairmen to annual meetings.

Mr. Gerald Fogel of **Home Charm** said turnover for the current trading period showed a "substantial increase" over that of the corresponding period for last year.

"All indications are that turnover should continue to remain buoyant in the immediate future," he added.

Mr. Sydney Orchant, of **Sharna Ware**, reported sales in the first four months of the manufacturing division were 30 per cent. up on last year, while on the wholesale side increase was 47 per cent., although part of this was due to the "pre-Budget scramble to purchase at old VAT prices."

The company was now beginning to see the results of its continuing export efforts, particularly in Europe.

In the first four months of the current year **Fothergill and Harvey** had reversed the downturn in profits experienced in the second half of 1974 although they were not running at the record level achieved in the first half of last year, said Mr. J. A. Jordan.

Plans had been put into effect to reduce overhead expenditure, which should minimise short term effects of erratic demand while ensuring long term prospects for the company.

Mr. K. J. Fisher of **Sharpe and Fisher**, said that while he hoped results in 1975 would again show the company in a favourable light. "I cannot possibly forecast another record year unless there is an unforeseen dramatic improvement in trade."

Sales for the first four months were up by 19 per cent., but this was purely inflation. "The best that can be said of present trading is that it may have bottomed out but even this has to be said hopefully," said Mr. Fisher.

The outlook in 1975 for **Ready Mixed Concrete** remained uncertain, reported Mr. J. Camden.

Although the group was helped by the mild winter in Europe, trading conditions in many areas had proved more difficult this year than in 1974. The position had not changed in the past few weeks, he said.

Finlay/McLeod associates

FOUR tea company associates of **James Finlay and Co.** and **McLeod Russel and Co.** report their results for the year to November 30, 1974. They are Cessnock Holdings, Consolidated Tea and Lands Company, Teith Holdings, and West Nile Holdings.

Group turnover of **Cessnock Holdings** expanded from £4.19m. to £6.25m. There was a trading profit of £784,000 compared with a loss of £292,000, and taxable profits jumped from £64,000 to £1,303,000.

After higher tax of £574,000 (£113,000) the net profit is £729,000 (loss £49,000), subject to extraordinary debits of £102,000 (credits £182,000).

Earnings are shown as 94.2p (loss 9.5p) per £1 share. In view of previous years' losses and the need to restore working capital, there is no Ordinary dividend.

Consolidated Tea and Lands made a trading profit of £1,551,000 (£38,000) from turnover of £7.35m. (£4.2m.). After investment income and the share of associates, profits were £2.93m. (£0.73m.) subject to tax of £1.35m. (£0.29m.). Extraordinary debits take £313,000 (credits £529,000).

Earnings are given as 110.5p (32.2p) per £1 share and the dividend is raised from 6.7p to 19.5p net.

Teith Holdings turned a trading loss of £13,000 to a profit of £743,000, and increased the pre-tax figure from £487,000 to £1,982,000. Turnover advanced from £1.6m. to £2.7m.

Tax took £1.16m. (£0.13m.) and extraordinary debits £150,000 (credits £303,000).

Stated earnings per £1 share rose from 35.5p to 84.4p, and the dividend is stepped up from 5.27p to 8.125p net.

Trading profit of **West Nile Holdings** was £798,000 compared with a loss of £2,000. Pre-tax profits expanded from £486,000 to £1,249,000 and turnover from £1.76m. to £2.91m.

Tax absorbed £746,000 (£140,000) and extraordinary debits £25,000 (credits £558,000).

Earnings are shown to be up from 49.1p to 72.8p per £1 share and the dividend is lifted from 12.31p to 13.435p net.

Grampian Television loss

From turnover of £2.01m. against £1.9m. **Grampian Television** incurred a pre-tax loss of £28,369 for the year ended February 28, 1975 compared with a profit of £306,731 for the previous year.

When reporting a reduction in profit from £192,718 to £8,249 at half way the directors said "an industrial dispute together with the general economic recession could mean that the company faces the prospect of showing a loss for the full year."

There are nil (5p) earnings per 10p share for the year and there is no dividend payment against 1.8738p net last year.

Sales are showing some recovery and it is hoped that this trend will continue so that dividends can be restored, say the directors.

After a tax credit of £11,048 (charge £157,018) the net loss emerges at £17,321 (profit £149,718).

BUTE SLIP DOCK LIQUIDATES

THE CLYDE builders of a trawler which sank in the Moray Firth with the loss of 17 lives last September has gone into voluntary liquidation.

Shareholders of **Bute Slip Dock Company** (Rothesay) decided that because of its liabilities it could no longer continue to trade and appointed Mr. Kenneth Sommerville, a Glasgow chartered accountant, to be liquidator. His appointment was confirmed at a subsequent creditors' meeting when the statement of affairs submitted showed assets of £28,614 and liabilities of £25,814 with staff preferred creditors and income tax totalling £5,425.

Esso Chemical concerned at investment climate

BY RAY DAFTER

ESSO CHEMICAL, the U.K. chemicals arm of the Exxon Corporation, has issued a warning about future investment in Britain. Although last year the company made its first "satisfactory" profit since it was established ten years ago, it is still concerned about the current investment climate.

The industry must be given the confidence and cash to invest if it is to replace existing plant at greatly inflated prices, cater for growth and maintain export potential, says Esso Chemical in its annual report.

The company, it says, will do its part by seeking out new cost-saving methods. It was essential, however, that it should be prevented from charging market prices by an arbitrary system of price control. Inflation had to be contained before Britain priced itself out of the world market.

Esso's warning comes at a times when a number of U.S.-based chemical companies are considering large investment in the U.K. to serve the European market as a whole.

The report shows that the value of Esso Chemical's sales rose from £51m. in 1973 to £109m. last year, although the volume increased by only 12 per cent. Exports rose from 44 per cent. of the total to 48 per cent.

Net earnings were £8.25m. of which more than £1m. represented *non-recurring stock profits.* For the first time since the company's formation in 1965, however, the earnings represented a satisfactory return on capital invested.

"This was achieved in a year which was particularly favourable *in most respects: our plants* were operating at full capacity for most of the year and the world market prices, for the first time in many years, were not depressed by an excess of capacity over demand. These conditions have not continued in 1975."

200 pottery men to lose their jobs

More than 200 pottery workers employed by H. and R. Johnson of Stoke-on-Trent are to lose their jobs because of a drop in both *home* and export orders, the company announced yesterday. This brings redundancies within *the pottery industry in the area* over the *past few months to* about 1,000.

Economic Diary

COMMON Market national referendum polling day on Thursday. Other events and statistics next week include:

MONDAY—Car hire purchase figures for May expected. Housing starts, completions and renovation grants (April—*prov.*).

TUESDAY—Sterling gold and *convertible currency holdings* at the end of May. Capital ... and redemptions (May).

THURSDAY—First quarter provisional figures for capital expenditure by manufacturing, distributive and service industries and manufacturers' and distributors' stocks. Vehicle production and new car registrations (May—prov.).

FRIDAY—London Gazette will *include Consolidated Fund* and National Loans Fund (May).

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

In a move to strengthen existing trading links, **Laporte Industries (Holdings)** has formulated new proposals whereby **Solvay et Cie** will acquire a major holding in Laporte for around £4.2m. This will be effected by Solvay subscribing for 2m. Laporte shares at 86.5p a share—compared with Thursday's price of 92p—and the issue of a further 2.89m. shares through the conversion of £2.5m. of the £9m. of Unsecured Loan stock, 1980—equal to a conversion price of 85.6p a share. As a result, Solvay will, with shares already owned have a 22 per cent. stake in Laporte's enlarged share capital.

A battle for control of **Sheffield Twist** may well be on the cards following the announcement by **Thorn Electrical Industries** that if the current agreed **SKF** bid is allowed to proceed by the appropriate Government authorities, then Thorn intends to make a counterbid. Thorn has no stake in Sheffield Twist at present.

The **J. H. Vavasseur Group** had reached agreement whereby it will increase its holding in **Lion International** from 52.2 per cent. to 70.3 per cent., a move it feels offers advantageous tax implications of an increased Lion holding and possible savings through cancellation of contingent liabilities to the "material benefit" of shareholders. The share purchase forms part of arrangements in connection with the proposed sale by Lion of British Lion Films announced in March.

Western Mining and **Great Boulder** are holding talks with a view to the former acquiring the shares of the latter that it does not already own. Western Mining already owns 48.4 per cent. of GB which has recently split off from its nickel mining and exploration partner, **North Kalgurli**. A further statement will be made as soon as possible.

News of the deal whereby *Haw Par Brothers International* is to raise its holding in **London Tin Corporation** from a little under 30 per cent. to just over 50 per cent. poses difficulties for the City Take-over Panel. The problem is that a purchaser acquiring shares which raises its stake above the 30 per cent. level is normally required under the Take-over code to make a general bid for the rest of the shares. The implications of the proposed deal are wide, and the Take-over Panel will take its time before making a ruling.

Company bid for	Value of bid per share k	Market price k	Price before bid	Value of bid (£m's) k	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated						
Bryanston Finance	7*	7	9	0.5*	A. T. Smith Organisation	—
Clifton Invs.	4½*d	5½	4½	0.15*d	Aries Hldgs.	—
Cons. Commercl.	27	27	34	1.1	Rubislaw Invest. Tst.	—
Consolidated Tin Smelters	189	180	176	7.4	Amal Metal	—
Curzon Indl.	—	7	4½	2.8e	Agreed merger	
Turner (Ben)	—	7½	6½			—
Cussons Ord.	79	77	30	4.5	Ptrsn. Zochns.	6/6
Cussons "A"	70	68	30	4.0	Ptrsn. Zochns.	6/6
Francis Inds.	32	29	25	1.9	Eva Inds.	—
Greening (N.)	21	26	16½	4.8	Johnsn. & Firth Brown	—
Halcyon Invs.	18½b	18	20	0.9b	Richardson Smith	6/6
Hellenic & General Trust	48*	47	36	7.2*	Hambros	—
Leadenhall-String. Invests.	55*d	50	31	0.6*d	Brit. & Cmnwlth. Shipping	—
Midland-Yorkshire	487d	425	275	6.84	Croda Intl.	13/6
Rowan & Boden	11*d	13	18½	0.1*d	Elbon	—
Scotia Invs.	17*d	18½	20	0.6*d	Alco Metrop. Properties	—
Sealed Motor Construction	40	44	43	2.2	Adwest Group	—
Sealed Motor Construction	46	44	38	2.5	Wyson Group	—
Sheffield Twist	77½*	76	49	10.5*	SKF	12/6
Wright Bindley	60*d	59	45	0.6*d	Pentos	10/6

* All cash offer. b Cash alternative. c Partial bid. d For capital not already held. e Combined market capitalisation. f Date on which scheme is expected to become operative. g Based on 30/5/75. k Based on 29/5/75. n Notional value. ‡ At suspension. † Bid.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Amalgamated Pwr.	Dec. 31	1,704	(2,296)	8.6	(12.2)	3.055	(2,817)
Ayrshire Metal	Dec. 31	464	(526)	4.7	(5.5)	2.625	(2.048)
Beaver Group	Dec. 31	413	(280)	8.3	(6.9)	2.325	(1.813)
Brown Shipley	Mar. 31	1,245‡	(1,180)	22.3	(21.1)	6.942	(6.391)
Caird (Dundee)	Mar. 31	358	(730)	12.4	(13.8)	1.949	(1.796)
Capper-Neill	Mar. 31	1,408	(807)	7.5	(4.1)	2.376	(2.192)
Churchbury Ests.	Mar. 31	98	(153)	2.8	(4.7)	3.465	(3.196)
Coats Patons	Dec. 31	47,257	(54,146)	9.2	(10.0)	0.9	(2.623)
Courtaulds	Mar. 31	125,700	(116,300)	32.9	(31.1)	5.597	(5.151)
Craig and Rose	Dec. 31	227	(219)	106.0	(112.8)	17.799	(16.341)
George Doland	Jan. 31	170	(120)d	2.2	(1.5)	1.137	(1.0)
Alfred Dunhill	Mar. 31	6,224	(4,836)a	33.9	(26.1)	6.437	(4.507)
R. A. Dyson	Mar. 31	35‡	(16)	3.5	(1.6)	2.371	(2.19)
E. Midland Allied	Mar. 20	677	(635)	5.7	(8.3)	2.248	(2.08)
Exch. Telegraph	Mar. 31	984	(1,813)	5.5	(10.1)	4.048	(4.048)
Federated Chemcl.	Dec. 31	1,547	(534)	5.4	(3.4)	2.734	(2.536)
W. and J. Glossop	Jan. 31	313	(476)	7.6	(8.2)	2.82	(2.819)
Grant Bros.	Jan. 25	228	(273)	7.3	(9.4)	3.892	(3.877)
Hanover Grand	Dec. 31	46	(214)	0.1	(2.4)	Nil	(0.953)
C. E. Heath	Mar. 31	3,558§	(2,791)	19.6	(17.3)	6.102	(5.613)
Highlds. & Lwlnds.	Dec. 31	6,716	(3,585)	6.9	(4.1)	1.474	(1.266)
L. K. Industrial	Dec. 31	164	(135)	3.6	(3.2)	1.96	(0.95)
International Paint	Mar. 31	10,496	(7,143)	64.6	(36.1)	8.132	(7.481)
Mallnsn. & D. Mott	Dec. 31	3,693	(8,090)	5.4	(13.4)	1.726	(1.593)
Wm. Morrison	Jan. 31	1,392	(1,184)	8.6	(7.9)	1.671	(1.531)
Moss Bros.	Jan. 31	72	(119)	1.4	(3.4)	1.0	(4.116)
Premier Consd.	Mar. 31	375	(86)	0.4	(0.1)	Nil	(Nil)
Prtsmth. & Sndrld.	Mar. 31	1,132	(1,355)	6.0	(6.9)	2.346	(2.346)
William Press	Dec. 31	3,153	(1,261)	3.1	(2.0)	1.1	(1.01)
Robertson Foods	Mar. 31	2,111	(1,839)	9.8	(8.6)	4.27	(3.92)
Scott & Robertson	Feb. 28	575	(923)	7.4	(8.9)	1.534	(1.415)
G. A. Robinson	Feb. 28	312	(271)	3.7	(4.5)	Nil	(3.065)
Spink and Son	Dec. 31	564	(691)	22.0	(31.8)	4.528	(4.691)
Teacher (Dstlrs.)	Jan. 31	1,815	(1,681)	18.5	(19.8)	8.215	(8.215)
Transparent Ppr.	Mar. 31	1,202	(1,010)	11.1	(10.0)	3.695	(3.388)
Wettern Brothers	Dec. 31	207	(668)	5.7	(24.1)	5.213	(4.801)
Wheatshf. Distrbtn.	Mar. 1	2,904	(3,066)	12.6	(14.0)	4.48	(4.131)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Assocd. Engineerg.	Mar. 31	6,500	(3,000)	1.0	(0.92)
Barton Transport	Mar. 15	45L†	(28)	—	(—)
Bass Charrington	Apr. 12	23,600b	(27,200)	1.348	(1.348)
Bertrams	Mar. 31	128	(43)	0.75	(0.5)
British Petroleum	Mar. 31	42,200c	(289,700)	—	(—)
Matthew Brown	Mar. 29	837	(808)	0.83	(0.804)
Caravans Intnl.	Feb. 28	363L	(472)L	Nil	(0.7)
Chemring	Mar. 28	125	(122)	0.55	(0.503)
Crystalate	Mar. 31	6L	(23)	—	(—)
Fairbairn Lawson	Jan. 2	128	(93)	0.813	(0.7)
Freshbake Foods	Mar. 31	4	(50)L	0.125	(0.175)
Gomme Holdings	Jan. 31	224	(819)	1.467	(1.467)
House of Fraser	Apr. 26	1,774¶	(1,443)	—	(—)
K Shoes	Mar. 31	1,327	(1,043)	0.77	(0.6)
Ley's Foundries	Mar. 31	1,379	(486)	1.05	(1.05)
Marley	Apr. 30	3,849	(5,348)	1.5	(1.5)
Morland	Mar. 31	236	(220)	3.5	(3.5)
Reliable Props.	Dec. 31	129L	(6)L	Nil	(0.838)
Reo Stakis	Mar. 30	528	(191)	0.268	(0.268)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † For 24 weeks. ‡ Net. § Operating profit. ¶ For 13 weeks. a For nine months. b For 28 weeks. c Net income—for three months. d For 13 months. L Loss.

Rights Issues

Associated Engineering: One-for-three at 43p each.

Scrip Issues

Coats Patons: One-for-twenty-five.

Decision on Hull scheme awaited

By Our Hull Correspondent

THE CABINET is expected to decide within the next week if a workers' co-operative proposal to restart production at the Imperial Typewriter factory at Hull is to get financial support *from the Government to launch* the project.

Yesterday, officials of the TGWU at Hull and delegates from the workers' action group which was in the 99th day of their sit-in occupation of the Hull factory went to London with the *final workers' take-over plan* which has been drawn-up by the union with the help of university economists.

The plan was given to Mr. Anthony Wedgwood Benn, Industry Secretary, and Lord Beswick, Minister of State. It is expected to be presented to the Cabinet on Tuesday.

About 1,400 people at Hull and another 1,800 at Leicester lost their jobs when American-owned Litton Industries closed its U.K. Imperial Typewriters subsidiary for economic reasons last February.

About 250 of the former workforce at Hull have been sitting in since the closure.

INSURANCE BASE RATES

† Atlantic Assurance ... 11½%
Cannon Assurance .... 9 %

† Address shown under Insurance and Property Bond table.

Results from second check on retail prices

BY ELINOR GOODMAN

THE SECOND in what may become a nationwide series of price checks on local shopping *areas* was carried out in Southend this week at the request of Mrs. Shirley Williams, Secretary for Prices.

The survey, which involved comparing the prices of basic foods in different shops and publishing the results on a local level, showed that the Keymarkets cut price subsidiary, Savon, offered the cheapest prices for branded goods out of the seven supermarket chains covered in the area.

In Mrs. Williams' opinion these local price comparisons provide a valuable service to shoppers and are something she would like to see carried out all over the country. The theory is that the bad publicity resulting from a shop being shown to be more expensive than its competitors will persuade it to reduce its prices. The retailers argue, however, that no sensible conclusions about long-term price comparisons can be gained from occasional one-off checks on a limited number of products.

In Southend, the bill for basic food items and other essential goods ranged from £3.73 in Savon to £3.90 in Caters. The local consumer group points out, however, that another 33p *could be* knocked off the bill if a consumer was to buy Sainsbury's own brand products.

As with the Glasgow survey carried out earlier this month the Southern consumer group will visit the same shops within the next month to see if the league table has changed significantly. Further price checks will be carried out by other member groups of the National Federation of Consumer Groups over the next few months.

LONG-RANGE FORECAST

Still cool in early June

JUNE WILL be generally rather unsettled with only a few short dry, sunny spells, according to the long-range forecast issued by the Meteorological Office yesterday.

After a cool start, temperatures should rise, but will be variable, giving an overall mean near, or rather below, the average.

Rainfall is expected to be above average in eastern districts, and near average in the West.

Sunshine amounts should be mainly near average, but perhaps below average in the East.

Suspended sentence for forger

Financial Times Reporter

A TWO YEARS' suspended jail sentence was passed at the Old Bailey yesterday on Harsh Kumar, 29, of The Greenway, Hounslow, an Indian-born business agent who caused £400,000 in losses to two London commodity companies through a fraudulent cocoa scheme last year.

Judge Gwyn Morris, QC, told him that he would pass a suspended sentence on forgery charges because of his previous good character.

Kumar, who had pleaded guilty to one count of forgery and four of uttering forged documents with intent to defraud the commodities firms over cocoa shipments from Ghana, was also ordered to pay £500 towards the prosecution costs.

During the trial, the prosecu*tion explained that when Kumar* found he could not complete the deliveries he claimed he would make good any losses that firms in the London market had suffered.

But Mr. George Shindler, QC, defending, yesterday told the court that his financial position now was such that he had a bank balance of £160, a car worth £200 and personal effects worth about £300 in this country.

His assets in Ghana of £2,500 were not available in London, but he hoped to get work in an export-import business in Croydon run by another member of his family.

BASE LENDING RATES

AFI International	9½%	Jacobs, Kroll	11½%
Allied Irish Banks Ltd.	9½%	Keyser Ullmann	10½%
Anglo-Portuguese Bank	10 %	Kinghurst Securities ...	12 %
Henry Ansbacher	10½%	Lloyds Bank	9½%
Banco de Bilbao	9½%	London & European ...	11½%
Banco de Jerez	10½%	London Mercantile ...	11½%
Bank of Cyprus ....‡	10 %	Midland Bank	9½%
Banque du Rhone S.A.	10 %	■ Samuel Montagu	9½%
Barclays Bank	9½%	■ Morgan Grenfell	9½%
Barnett, Christie Ltd.	11 %	Morris Wigram Ltd. ...	11½%
Bremar Holdings Ltd.	10½%	*National Westminster*	9½%
Brit. Bank of Mid. East	9½%	Northern Comm. Trust	11½%
■ Brown Shipley	10½%	Norwich General Trust	10 %
Cayzer, Bowater Co. Ltd.	10½%	Portman Guaranty	11 %
Cedar Holdings	11 %	P. S. Refson & Co.	9½%
■ Charterhouse Japhet ...	10½%	Rossminster Accept'cs.	9½%
C. E. Coates	10½%	Royal Trust of Canada	10½%
Consolidated Credits ...	12 %	E. S. Schwab	11½%
Continental Trade Bk.	9½%	*Security Trust Co. Ltd.*	11 %
Co-operative Bank ......*	9½%	Shenley Trust	11½%
Copleys Bank	11½%	Standard & Chartered	9½%
Corinthian Securities...	9½%	Sterling Credit	12 %
Credit Lyonnais	9½%	Stewart Salmon & Co.	9½%
G. R. Dawes	10½%	Thames Guaranty	12 %
Duboff Brothers	11½%	Trade Development Bk.	9½%
Duncan Lawrie	10½%	Twentieth Century Bk.	11½%
English Transcont ...	11½%	United Bank of Kuwait	9½%
First London Secs. ...	9½%	Wallace Brothers Bank	10½%
■ Antony Gibbs	10 %	Whiteaway Laidlaw ...	10 %
Goode Durrant Trust...	10 %	Williams and Glyn's ...	9½%
Greyhound Guaranty...	9½%	Yorkshire Bank	9½%
Grindlays Bank	10 %		
■ Guinness Mahon	10½%		
■ Hambros Bank	9½%		
Hawtin & Partners ...	13 %		
■ Hill Samuel ....§	10 %		
C. Hoare & Co. ....†	9½%		
Julian S. Hodge	10½%		
Industrial Bank of Scot.	9½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposit 6½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6½% and over £25,000 7½%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7½%.

RECENT ISSUES

EQUITIES

Issue Price p***	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p***	+ or —	Div. or Amount	Times covered	Gross Yield	P/E Ratio
—	F.P.	—	£26⅝	£25⅝	Bell Canada ($25)	£35¼	+⅝	—	—	—	—
‡	F.P.	—	£22¼	£17¼	Cont.Can. Inc. $US1	£21	—⅛	$1.8	—	3.9	—
*R2	F.P.	30/5	365	293	Deelkraal Gold Mining	350	+15	—	—	—	—
‡‡	F.P.	—	134	120	Ewart New Northern	131	......	—	—	—	—
140	F.P.	20/6	181	164	Rank 'A'	165	—7	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price £	+ or —
£10	F.P.	—	100½	98⅝	*Agricultural Mortgage 11% 1975*	100	......
*£100	Nil	—	40	25	Allied Irish 10% Conv. Cns 1995	25	—1½
£100	£10	—	11½	11½	Colne Valley Water 9% Red. Prf. 1980	11½	......
*£100	nil	—	38	21	Gestetner 'A' 10% Com. Uns. '90/95	25½pm	......
$98	F.P.	—	$97	$95½	Granges 9¼% Bonds 1985	$97	......
£97¾	£40	—	39¾	37	GLC 12½% Stk. 1982	38½	—½
a	F.P.	22/8	100	100	Greenwood & Batley 15% Uns. 1976	100	......
£99	F.P.	30/5	102¼	98½	Lincoln Corp. 15% 1980	101	......
††£99	F.P.	30/5	105½	101	Mid-Kent Water 10% Prf. 1980	104½	......
**	F.P.	25/5	16½	11½	Mid-Southern Water 10% Prf. 1980	104½	......
$100	F.P.	—	$100½	$100½	Norsk Hydro 9¾% Bds. 1985	$100½	......
£100	F.P.	21/5	114½	105	N. Atlantic Secs. 7½% Cnv. 85/96	114	......
$98	F.P.	—	$98	$96½	Ottawa-Carleton 9% Deb. 1990	$98	......
$99	F.P.	—	$101	$92½	Papua New Guinea 9¾% Guar. 1985	$100	......
††£76	F.P.	—	103¼	100	Rickmansworth & Uxbridge 10% Prf. 1980	104	......
£100	F.P.	30/6	156	122	Slough Estates 10% Conv. Uns. '87/90	145	—2
£99½	£45	1/8	46¼	43½	Southend-on-Sea 12¾% 1981	44	—½
£99	F.P.	11/4	105	99	S. Staffs. Water 10% Prf. 1980	104½	......
**	F.P.	18/4	105	101	Sutton District Water 10% Prf. 1980	104	......
£99¼	£65	—	65	65	Warwickshire 12¾% Red. Stk. 1980	65	......
—	F.P.	14/2	90	60	Worth (Bund) 12% Conv. Uns.	86	......
*£100	£50	2/10	97	67	Yorks Chems. 12½% Conv. Uns.	78	......

"RIGHTS" OFFERS

Issue Price p***	Amount Paid up	Latest Renunc. Date ‡	¶	Stock	Closing Price p***	+ or —
100	F.P.	28/5	30/5	Ash & Lacy	150	......
45	F.P.	16/5	4/7	Associated Biscuit	64	+1
10p	F.P.	15/6	16/6	Aurora Holdings	11½	—½
35	F.P.	28/5	30/5	Cadbury Schweppes	44½	—½
55p	F.P.	19/5	10/6	Delta Metal	66	......
25	Nil	—	—	Elliott Grp. (of Peterbro)	14pm	......
150	Nil	10/6	12/6	Fairclough (Leonard)	24pm	—2
175	F.P.	19/5	20/6	Guest Keen	244	—5
52	Nil	—	—	Hawkins & Tipson	24pm	—½
125	Nil	4/6	6/6	Linfood Hldgs.	34pm	—2
40	Nil	—	—	Macarthys Pharm.	17pm	+1
100	F.P.	28/5	30/5	Manbre & Garton	126	......
100	Nil	28/5	30/5	Marshalls Universal	29pm	—5
60	F.P.	21/5	23/5	Martin Black	104	+2
60	F.P.	15/5	13/6	Morgan Crucible	97½	—1
25p	Nil	10/6	12/6	Pahang Cons.	½pm	......
105	Nil	—	—	Prudential Ass.	16pm	......
47	Nil	—	—	Richard & Wallington	17pm	—1
Kr60	Nil	—	—	S.K.F. "B"	200pm	......
95	F.P.	31/5	2/6	Simon Eng.	112½	+1
77	F.P.	13/5	6/6	Spirax-Sarco	120	+1
315p	Nil	9/6	11/6	Sun Alliance	102p	—4
125	F.P.	30/5	5/6	Tarmac	138	—1
23	F.P.	27/5	9/6	Western Selection	35	+1

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. * Offered to holders of Ordinary shares as a "rights." ♥ 390 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. § With warrants.

WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Index up 17 on brighter news

BY OUR WALL STREET CORRESPONDENT

NEW YORK, May 30.

PRICES SOARED on Wall Street to-day, spurred by rising hopes for an economic recovery.

The Dow Jones Industrial Average shot ahead 17.29 to 832.29, reversing its recent down-trend to score a net gain of 0.39 on the four-day week. The NYSE All Common Index moved up 79 cents to $48.46, making a net rise of 41 cents on the week. Trading volume expanded 4.1m. shares to 22.67m.

The market's strength followed Thursday's record 4.2 per cent. rise in "Leading" Economic Indicators in April.

The Adminstration, in its mid-session review of the Budget, said it expects the economy in 1976 to expand 6.3 per cent. in real terms compared with its original estimate of 4.8 per cent.

First National City Bank economist Leif H. Olsen said Commecial Paper rates could fall as low as 4 per cent. in the summer, indicating a prime rate low of 5¼ to 5½ per cent.

Interest continued in U.S. oils. Occidental Petroleum, the most active issue, climbed another $⅜ to $19⅜, attributed to its major coal holdings. Exxon gained $2¼ to $87⅞, Atlantic Richfield $3⅞ to $97, Standard Ohio $5 to $75¼ and Ashland $1¼ to $21⅞.

Mesa Petroleum picked up $2¼ to $21½.

Iowa Beef Processors gained $2¼ to $26⅞ on higher 26-week net.

A. E. Staley Manufacturing fell $6¼ to $38¾ on a merger proposal from H. J. Heinz, up $⅞ to $35.

Ametek tacked on $¾ to $17¾ on its expectation of a "significant improvement" in second quarter and six months net.

Union Carbide gained $2⅜ to $61¼ and Sears Roebuck $2⅛ to $66⅞.

The American SE Market Value Index rose 1.15 to 88.68, for a net gain of 0.95 on the week.

OTHER MARKETS

Canada mixed

Canadian Stock Markets were mixed in light trading yesterday.

The Industrial Share Index rose 1.06 to 186.32, Base Metals 0.45 to 74.36 and Western Oils 0.43 to 177.56, but Golds lost 3.07 to 411.26. Utilities shed 0.03 to 131.26, Banks eased 0.34 to 260.36 and Papers dipped 0.30 to 111.29.

PARIS—Prices rallied on U.S. Leading Indicators' record gain, with hopes of a turnaround in economic recession.

Oils sharply higher, Constructions, Stores and Electricals also gained. Banks and Engineerings steady, Metals and Foods mixed.

Citroen shed Frs.3 to 35 on final loss figures.

Foreign stocks firm, although Golds and Coppers little changed.

BRUSSELS—Small minority of gains in quiet pre-week-end trading.

German, U.S. and Dutch stocks firm, British lost ground, French little changed, Golds mixed.

AMSTERDAM—Technical recovery, although rises were limited ahead of the week-end.

Most Local issues recorded sharp gains, however, in fairly thin trading.

State Loans were firmer.

GERMANY—Sharply higher on renewed buying by Domestic and Foreign interest, particularly from the U.K.

Motors and Banks led the rises, with Deutsche Bank up DM11.50 and BMW DM11. Secondary Chemicals rose between DM7.80 and DM9.50, while Machineries, Steels, Utilities and Stores gained up to DM7.

Public Bonds firmed up to DM0.50, and Mark Foreign Loans were well maintained.

MILAN. Easier over a broad front in moderately active trading. All leading Industrials fell, as did major Banks and Insurances.

Bonds quiet but steady.

SWITZERLAND—Markets improved on some support.

Holderbank Bearer held steady, despite worse earnings prospects for 1975.

Insurances rallied. Industrial leaders mainly steady to slightly higher.

State Bonds quietly steady.

Dollar stocks improved, as did Dutch Internationals and Germans.

JOHANNESBURG—Gold shares easier, reflecting lower bullion indications. Financial Minings quiet.

HONGKONG—Prices fell across the board in light trading.

TOKYO—Liquidation wiped out early gains and prices closed lower on balance. Volume 140m. (130m.) shares.

Heaviest declines were noted in Electricals, Motors, Construction and Pharmaceuticals.

AUSTRALIA—Generally firmer but below the best in quiet trading.

Banks were strong and Coal shares rallied.

Minings generally advanced, as did Oils, but Golds lacked support.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus	Util.	Trading volume† 000's
May 30	67.82	167.75	832.29	79.62	22,670
29	67.71	166.72	815.00	78.64	13,570
28	67.65	166.64	817.04	77.45	21,250
27	67.76	166.99	826.11	77.45	17,060
23	67.59	167.88	831.90	77.17	17,870
22	67.90	166.87	818.91	77.25	15,610
21	67.94	166.42	815.6	77.17	18,640
20	67.75	163.22	830.49	78.0	15,810
19	67.96	163.64	837.60	78.16	17,870
16	67.95	165.20	837.61	78.16	16,650
15	67.64	170.39	847.30	78.26	21,690
14	67.61	175.47	856.73	78.70	30,050
13	67.68	172.56	850.15	78.64	24,450
12	67.61	171.58	847.47	78.48	22,410
9	67.64	171.91	850.13	77.30	28,440
8	67.69	170.72	840.50	76.57	22,960
1975 High	69.92 (4/4)	174.12 (5/5)	858.73 (14/5)	81.95 (21/1)	—
Low	66.16 (5/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	165.62 (20/4/65)	—
Low	—	16.28 (8/7/32)	41.22 (8/7/32)	10.58 (2/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

May 27	May 20	May 24, 1974
4.65	4.61	4.49

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	M'y30	M'y29	M'y28	M'y27	M'y23
48.85 (14/5)	37.06 (2/1)	48.46	47.67	47.66	47.97	48.06

RISES AND FALLS

Issues traded	Up	Down	Unchanged
2,729	1,511	961	257

	M'y30	M'y29	M'y28	M'y27	M'y23
New Highs	149	79	124	126	84
" Lows	7	6	8	4	8

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

	1975 High	1975 Low	M'y30	M'y29	M'y28	M'y27	M'y23
	88.18 (27/5)	62.20 (2/1)	88.68	87.53	87.49	88.16	87.75
Volume (000's)			5,676	2,500	2,710	2,060	2,000

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
May 30	102.65	91.15
29	100.96	89.68
28	101.06	89.71
27	101.32	90.34
23	102.12	90.58
22	100.72	89.39
21	100.36	88.98
1975 High	104.04 (14/5)	92.27 (14/5)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 325 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	May 29 1975	May 22 1975	May 29 1974
Ind. Ord. yield pc	3.75	3.78	4.25
Ind. Ord. p/e ratio	10.43	10.30	11.07
Long-term Govt. Bds. per cent.	5.85	5.89	6.63

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Occidental Petrolm.	787,500	19⅜	+⅜
Teleprompter	374,100	8½	+1
Gulf Oil	290,100	20⅞	+⅞
Occidental Pet. Wts.	279,500	10⅞	+1¼
Texaco	239,900	25⅞	+⅜
Fed. Nat. Mort.	226,200	15⅞	+½
Amer. Tel. Tel.	164,300	49⅞	+⅜
Plan Research	163,200	4¼	+⅛
Coastal States Gas	163,100	9¼	+1¼
Westinghouse Elec.	163,100	17⅞	+1

TORONTO

INDUSTRIAL INDEX

May 30	May 29	1975 High	1975 Low
186.32	185.26	189.68 (14/3)	150.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

May 30	May 29	1975 High	1975 Low
184.77	183.23	197.95 (14/3)	150.95 (2/1)

COMBINED INDEX

May 30	May 29	1975 High	1975 Low
188.94	187.90	191.03 (14/3)	153.02 (2/1)

JOHANNESBURG

	May 30	May 29	1974-75 High	1974-75 Low
Industrials	206.4	206.6	210.2 (17/2)*	153.0 (22/1)
Golds	314.0	316.1	379.1 (2/1)	255.2 (15/4)

1958=100. Source: Rand Daily Mail. * 1974.

MELBOURNE YIELDS

Av'ge yield on 5 Leading Stocks	May 29	May 23	May 16
On Dividends	7.13	7.58	7.65
On Earnings	13.67	14.44	14.50

SYDNEY ALL ORD. INDEX

May 30	May 29	High 1975	Low 1975
375.32	371.92	375.95	280.86 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

May 30	May 29	High 1975	Low 1975
324.44	325.68	332.96 (22/5)	269.24 (10/1)

HONG KONG INDEX ⊕

May 30	May 29	High 1975	Low 1975
320.94	324.62	336.25 (21/5)	160.48 (3/1)

SINGAPORE INDEX §

May 30	May 29	High 1975	Low 1975
240.11	241.70	268.69 (11/5)	155.26 (9/1)

EUROPE

	May 30	Prev.	1975 High	1975 Low
Belg'm (a)	109.67	109.90	111.61 (5/5)	89.07 (2/1)
Denm'k (b)	90.10	89.25	90.86 (22/5)	75.36 (2/1)
France (d)	65.8	65.6	72.6 (2/4)	51.70 (2/1)
Germ'y (e)	656.3	648.1	756.1 (15/4)	575.5 (2/1)
Holland (f)	99.1	(c)	107.6 (6/5)	82.2 (2/1)
Italy (g)	98.38	99.20	106.86 (21/2)	85.01 (2/1)
Spain (h)	103.29	103.82	114.96 (22/4)	96.98 (10/1)
Sweden (k)	364.53	364.63	376.65 (15/5)	310.5 (9/1)
Switz'rl'd (m)	285.9	285.8	295.1 (6/5)	250.3 (2/1)

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December, 1953. (f) Amsterdam Industrial 1970. (g) Milan General 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ⊕ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

F.T. CROSSWORD PUZZLE No. 2,791

A prize of £3 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....

ACROSS

1 So long as food comes by Spring (8)
5 Soda causes a sensation (6)
9 Position absorbing revolutionary friction (8)
10 Don't forget to pay another visit (6)
12 Takes off for space with dramatic scenery (5)
13 Change character of cross-bench (9)
14 First person to row as a profession (6)
16 Student choral's put in another setting (7)
19 Sailors swindle daughter then decamp (7)
21 Pledged when elected to take the smallest piece (2, 4)
23 Bloomer made by Harlequin supporter (9)
25 Temptress sounding off a warning (5)
26 Slice missing point at Lords (6)
27 Quick to scoff at underground conductor (4, 4)
28 Angry outburst made by artist in season (6)
29 Hardly for 26 to go to cathedral (8)

DOWN

1 Watchman's pocket going to deceive with something inferior (3, 3)
2 Prepared state to study one Scots loch (9)
3 Hangs about for festive singers (5)
4 Craft that finds itself unloaded (7)
6 Newagents' in part of car factory (5, 4)
7 Memorable Texan fort made in the doctor's fashion (5)
8 Guarantee passage money (8)
11 Spoils a heavenly body (4)
15 Laundry spots hollow form used for casting (4, 5)
17 Short letter submitted to court of first jurisdiction (5, 4)
18 Sally forth on April 1 (5, 3)
20 Little Welsh boy's platform (4)
21 I met up with one south-eastern list (7)
22 Dramatic hit during progress of game (2, 4)
24 Existentialist is a long time in prison (5)
25 Display of temper in sight (5)

SOLUTION TO PUZZLE No. 2790.

SOLUTION AND WINNERS OF PUZZLE No. 2,786

Following are the winners of last Saturday's prize puzzle:

Mr. T. D. Kingdom, 2 Grosvenor Road, Northwood, Middx HA6 3HJ.

Mr. D. J. Partridge, 72 Eastfield Avenue, Upper Weston, Bath BA1 4HU.

Capt. D. A. Wergan, 29 Woodhurst Avenue, Oxted, Surrey.

RACING BY DOMINIC WIGAN

Penny Post has the stamp of success

A YEAR ago Edward Hide, who is hot on the heels of Pat Eddery in the quest for this year's jockey's championship, found no difficulty in landing Newmarket's Great Eastern Handicap on Tackerton, and I am hopeful that *Penny Post* can do the trick for him in the corresponding event to-day (2.30).

This lightly raced half-brother by Balidar to that smart miler, Whistling Glory, first showed himself to be a good colt in the making when defeating Grey Ghost by five lengths over six furlongs here in October, after being backed down from 10—1 to 15—2.

Penny Post, a rangy, strong individual, who was having only the second race of his career then, made his third and most recent appearance in the highly competitive Glenlivet Handicap at the last meeting here.

Always prominent, *Penny Post*, a 13-1 chance, kept on strongly in the final furlong to take third place behind Be Tuneful and Super Kelly.

With the benefit of that run in the Glenlivet Handicap, Hide's mount, who appears to be well treated with 8 st. 8 lb. is sure to go close, and I take him to gain his second course and distance victory.

Half an hour before the Great Eastern Handicap, many racegoers are likely to side with the Harry Wragg-owned and trained Destino in the Chantilly Perfume Ladies Race (2.00).

Although this tough four-year-old ridden by Carolyn Mercer has an obvious chance, I doubt him dealing with another Newmarket representative, Caroline Blackwell's mount, *Eversholt*.

Eversholt, a strongly-made grey Above Suspicion colt, who is also owned by his handler, Bruce Hobbs, showed improved form on his last appearance when getting the better of Mayumbe over this distance of one-and-a-half miles at Wolverhampton.

In the belief that he may have come on as a result of that victory, I shall be surprised if *Eversholt* fails to make it a double.

Turning to Kempton, where the National Magazine Company has sponsored three of the seven races on the jackpot programme, the most interesting event, to my mind, is the She Magazine Stakes (3.30), a handicap over six furlongs for three-year-olds and above. Here the two I like best are Eversholt's stable mate, Questa Notte, and the Epsom-trained *Last Tango*.

Lord Fairhaven's Questa Notte, who had a profitable campaign in 1974, winning three races including York's Wykeham Handicap, did well to take third place, only a length behind Younge St. Clare and Tolspring, in the Spring Cup on the Knavesmire recently.

Last Tango also ran well to be placed on his most recent appearance, finishing a four lengths runner-up to the lightly-weighted My Eagle in a five furlongs handicap at Thirsk two weeks ago, after not enjoying the best of runs. In receipt of 11 lbs from Questa Notte, he may just have her measure.

NEWMARKET
1.30—Scarlet Wonder
2.00—Eversholt**
2.30—Penny Post***
3.00—Huntsman's Leap
3.30—Habeas Corpus
4.00—Heaven Knows
4.30—Marchant

KEMPTON
2.00—Chief Marshal
2.30—Singing Saint
3.00—John Cherry
3.30—Last Tango*
4.00—Midsummer Lad
4.30—Sandford Lady
5.00—Tipperary Girl

THIRSK
2.15—Pave The Way
2.45—Petite Souris
3.45—Two Ronnies

SPAIN ♥

May 30	Per cent.	
Asland	310	—
Banca Lopez Quesada	768	−2
Banco Bilbao	967	−3
Banco Atlantico (1,000)	728	−2
Banco Central	1,006	−4
Banesto (250)	662	−5
Banco Exterior	580	−13
Banco General	1,083	—
Banco Granada (1,000)	457	−4
Banco Hispano	665	−10
Banco Iberica	738	−6
Induban	480	−5
Banco Ind. Cat. (1,000)	420	—
Banco Mercantil (1,000)	1,076	—
Banco Noroeste	390	—
Banco Occidental	693	−17
Banco Popula	720	—
Banco Santander (250)	1,026	—
Banco Urquijo (1,000)	779	−5
Banco Vizcaya	783	−7
Banco Zaragozano	932	−3
Bankunion	490	+13
Altos Hornos	377	−2
Babcock Wilcox	246	−4
Censa	336	−1
CIC	455	+5
Crecinco	156.17	—
Dragados	790	−2
Inmobanif	172	—
Energias Ara	167.50	−1.50
Espanola Zinc	265	—
Expl. Rio Tinto	334.50	+0.25
Fecsa (1,000)	128	—
Fenosa (1,000)	125	—
Finanzauto SA	510	—
Finanzauto Servicios	472	—
Gal. Preciados	435	—
Hidrola	150	−1
Iberduero	228	−2
Motor Iberica	233	—
Olarra	305	−5
Petroliber	318	—
Sarrio Papalera	345	+1.50
Seat (1,000)	204	—
Sevillana Elec.	139.50	−0.50
Sniace	109.50	+1.50
Telefonica	236.50	−1.50
Tubacex	340	—
Union Elec.	134.50	−2
Union y Fenix	610	—
Urbis	234	+4

NOTES: Overseas prices exclude $ premium. Belgian dividends are shown after withholding tax.

◆ DM50 denom. unless otherwise stated. ♣ Sr 100 denom. unless otherwise stated. ♥ Ptas 500 denom. unless otherwise stated. ⊕ Frs.500 denom. unless otherwise stated. ° Yen 50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs, including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. ∆ Interim since increased.

OVERSEAS SHARE INFORMATION

NEW YORK

[illegible]

GERMANY ◆

[illegible]

MILAN

[illegible]

SWITZERLAND ♣

[illegible]

PARIS

[illegible]

COPENHAGEN

[illegible]

STOCKHOLM

[illegible]

OSLO

[illegible]

VIENNA

[illegible]

AUSTRALIA

[illegible]

TOKYO °

[illegible]

BRUSSELS

[illegible]

AMSTERDAM

[illegible]

JOHANNESBURG

MINES

[illegible]

INDUSTRIALS

[illegible]

CANADA

[illegible]

Investment premium based on $2.60 per £1—110% (109%).

مكتبة الأصل

STOCK EXCHANGE REPORT

Leaders above worst after another quiet trade

Index down 3.4 at 345.1, after 343.2—Properties lower

Account Dealing Dates

*First Declara- Dealings	Last tions	Account Dealings	Day
May 5	May 15	May 16	May 28
May 19	May 29	May 30	Jun. 10
Jun. 2	Jun. 12	Jun. 13	Jun. 24

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Interest in stock markets continued at a low ebb as the Account came to a close yesterday. Leading industrials gradually lost ground before staging a small technical rally in the late dealings. The FT 30-share index which showed a loss of 5.8 at 1 p.m. ended a net 3.4 off at 345.1 and recorded a fall of 8.9 on the week. Some fairly persistent selling of Courtaulds, 6 down at 134p, after the previous day's rise of 11 on the results, unsettled the other leaders and brought about a sympathetic reaction. Otherwise, the day's business was light and confined mainly to the levelling of book positions.

Second-line equities also made a rather drab showing, the slightly easier trend here being seen in a further fall of 0.8 per cent. to 145.31 in the FT-Actuaries All-share index. Of the few sectors to stand out, Properties were particularly dull on continued fears about MEPC's results due next Wednesday. The FT-Actuaries index for the section gave up 2.7 per cent. to 198.58. Elsewhere, it was left to a fairly meagre list of trading statements to provide the odd feature. Official markings of 6,340 compared with 6,090 on Thursday and 7,561 a week ago.

Gilts quietly mixed

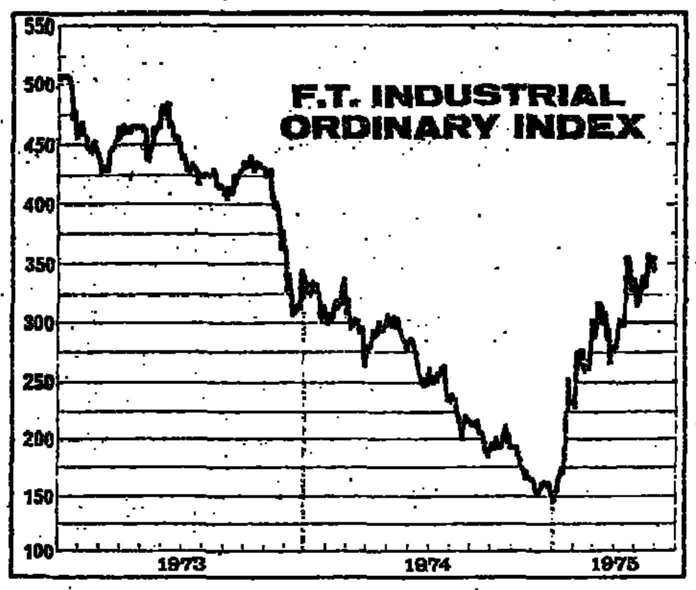
British Funds were idle and trendless. Neither tight conditions in the money market nor easiness in sterling influenced the shorts which, although off the top, presented gains to ¼. A few mediums and most longs, however, eased ¼ further, more through lack of interest than because of any other influence.

Institutional demand coupled with business released by overseas activity in Gold shares again made for a firm trend in the investment currency market and the premium rose a point more to 110 per cent. Yesterday's SE conversion factor was 0.5369 (0.5372).

Hambros late rally

An unsettled market of late on the company's connection with the Reksten shipping group, Hambros picked up late from 148p to close 2 better on the day at 155p on a report that a director of the bank had stated that all of its loans to Norwegian shipowners were considered as secure and that there was no danger to the bank even if some of its big Norwegian customers got into financial difficulties. Other Merchant Banks tended easier with Hill Samuel losing 4 to 77p and Mercury Securities declining 5 to 119p. Home Banks closed above the day's worst to end with minor net losses. Barclays, in fact, closed with a penny improvement at 293p, after 288p. Among Hire Purchases, UDT, at 21p, recovered 3 of the previous day's fall of 5 which reflected the deferment of the Preference dividend. The rising dollar premium continued to help foreign issues: Bank of New South Wales rose 20 to 705p, National Bank of Australasia gained 11 to 305p, and Trust Bank of Africa put on 12 to 100p.

Small selling and lack of support continued to push Insurances lower. Losses of 8 were seen in Equity and Law, 160p, and Guardian Royal, 198p. Prudential Assurance were quoted ex "rights" at 118p, down 8½, with the new shares ending at 16p premium, after opening at 19p.



Breweries closed without much alteration, but A. Bell were noteworthy in Distilleries for a fall of 7 at 98p on the proposed "rights" issue.

Buildings had an easier appearance. Taylor Woodrow reacted 6 to 298p, while H. and R. Johnson-Richards Tiles closed 10 cheaper at 120p, the latter following news of redundancies at one of the company's subsidiaries. R Costain, however, managed to close 2 up at 220p, after 222p, sentiment being helped by the chairman's optimistic statement. J. Smart, still on the results, put on 2 more to 46p, while Plant Hire issues had Hewden-Stuart 3 better at 51p and G. W. Sparrow 4 higher at 104p.

After easing to 277p, ICI staged a late rally and closed only a penny easier on the day at 281p.

Grampian 'A' lost 2 to 12p on the dividend omission and trading deficit.

EMI easier

EMI turned easier following a sell recommendation after the recent upsurge and touched 180p before closing 6 cheaper on the day at 184p. Reyrolle Parsons eased 3 to 62p as did Brocks Group to 60p. Dowding and Mills gave up a similar amount to 35p on news that GEC of America had allowed its offer to lapse. Philips' Lamp, reflecting the strength of the investment dollar premium, rose 15 to 840p. Normand Electrical moved up 3 to 33p on the increased earnings.

Martin the Newsagent provided a modest feature in Stores at a 1975 peak of 139p, up 10, ahead of Monday's interim results. Other Newsagencies gave ground with NSS finishing 2 off at 94p and W. H. Smith "A" 3 easier at 406p. Elsewhere, Marks and Spencer were finally a penny cheaper at 231p, after 229p, and "Gussies" "A" ended 3 lower at 186p, after 187p. Home Charm hardened a penny to 64p on the chairman's remarks at the annual meeting.

Not a particularly happy sector, Engineerings had falls ranging to 6 in the leaders. Ahead of Monday's preliminary results, Metal Box shed that amount to 280p, after 287p, while Hawker were similarly lower at 278p on worries about falling foreign orders. GKN gave up 3 to 246p, after 244p. Elsewhere, Sheffield Twist relinquished Thursday's rise and more which followed the possibility of a Thorn Industries counter-bid to SKF's offer, the close being 7 lower at 69p. North British Steel hardened 1 to 25p in recognition of the good interim results. Shipbuildings became reactionary with Hawthorn Leslie especially dull at 45p, down 6.

Apart from Tate and Lyle, 3 cheaper at 252p, after 248p, leading Foods were quiet and little changed. Among secondary issues, Robertson moved up 3 to 86p in response to Press comment on the preliminary results. Alpine Soft Drinks improved 3 to 75p, ahead of preliminary figures, expected soon. A. G. Barr rose 6 to 99p, while Wheatsheaf Distribution advanced 7 to 154p, the latter in further response to the preliminary statement.

Miscellaneous leaders moved narrowly and erractically. Glaxo rallied from initial easiness to close unaltered at 410p, after 404p, while Boots closed 4 down at 251p, after having been up to 257p. Lonrho were active and ended 3 easier at 149p, after extremes of 154p and 146p. Pentland Industries gained another penny to 7½p despite the reduced profits; it was also announced that 3.9m. shares previously held by the now defunct London and County Holdings had been placed at 4½p a share. Whitecroft were weak at 65p, down 8, while falls of 5 were sustained by Nairn and Williamson, 60p, and Renwick, 25p. Broken Hill Proprietary, however, remained firm on the investment premium and gained 20 more to a 1975 peak of 760p.

In subdued Motors, Rolls-Royce were a penny better at 61p in response to Press comment, while Pride and Clarke put on 7 to a 1975 "high" of 126p on small buying in a thin market. Dunlop picked up to close unaltered at 49p, after 47p, but Lucas gave up 3 at 114p. Attwood Garages shed a penny to 10p on the lower profits.

"New-time" support lifted Thomson in Newspapers to a peak for the year of 197p before a close of 194p, up 2 on balance. Still reflecting the reduced profits, East Midland Allied Presss "A" slipped 2 to 34p.

Properties dip

Heightening fears over next Wednesday's MEPC first half results which, it has been suggested, could see the passing of the interim dividend set the seal on a depressed Property section. Falls at one stage extended to 11 but owing to a late rally these were reduced to 6 in the case of Land Securities, 185p, after 182p, and only 3 in MEPC, 150p, after 143p. Great Portland fell 8 to 220p and Artagen 5 to 79p. There were isolated firm spots in Amalagamated Investment, 3 higher at 47½p, and English, 2 better at 86½p. Peachey rose 2½ to 36p, while Metro Town lost 2 to 10p on the passed dividend and the annual loss. Slightly increased half-yearly figures failed to help Allied London, 3 down at 42p.

Comforted still by the highly satisfactory first-quarter trading, British Petroleum gained ground while Shell reacted further before rallying after-hours; this left BP showing a fresh rise of 5 at 490p, but Shell with a loss of 4 at 318p, after 316p. Ultramar also slipped initially, touching 182p before closing a net 2 firmer at 188p, while "new-time" demand raised Premier Consolidated 1 to 19½p.

Profit-taking after recent strength left Inchcape 12 off at 410p. Charterhouse Group dipped to 41p on the disappointing interim statement before closing 3 easier on the day at 43p. Camellia Investment, 48p, and Lamont Holdings, 32p, on the other hand, put on 4 apiece.

Courtaulds came in for some fairly persistent selling following Thursday's rise of 11 on the results and reacted to 132p, before closing 6 off on balance at 134p. Other Textiles were inclined easier with Coats Patons losing 2 further to 46½p, still on the passing of the final dividend.

FINANCIAL TIMES STOCK INDICES

—	May 30	May 29	May 28	May 27	May 23	May 22	A year ago
Government Secs.	57.84	57.90	58.14	57.68	57.58	57.60	58.97
Fixed Interest	57.86	57.95	57.88	57.72	57.67	57.62	58.11
Industrial Ordinary	345.1	348.5	346.6	353.5	355.0	349.7	276.3
Gold Mines	429.0	425.2	430.7	435.7	453.2	442.5	302.5
Ord. Div. Yld. %	6.04	5.94	5.97	5.87	5.85	5.96	7.18
Earnings Yld. % (full)	18.00	18.02	18.10	17.79	17.71	17.96	18.50
P/E Ratio (net) (*)	7.88	7.85	7.81	7.92	7.96	7.84	7.66
Dealings marked	6,340	6,090	6,294	6,750	6,849	7,561	†5,729
Equity turnover £m.	—	71.18	57.89	59.43	77.75	69.98	39.22
Equity bargains total	—	16,816	16,152	17,051	19,632	18,559	11,886

10 a.m. 348.3. 11 a.m. 346.6. Noon 344.0. 1 p.m. 343.2.
2 p.m. 344.6. 3 p.m. 343.8.
Latest Index 01-246 8026. † Excluding regional exchanges.
(a) Based on 52 per cent. corporation tax. (b) Nil=7.81.
Basis 100. Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/5)	49.18 (6/1)	127.4 (9/1/35)	49.18 (6/1/75)
Fixed Int.	62.51 (21/5)	50.63 (6/1)	150.4 (28/11/47)	50.53 (6/1/75)
Ind. Ord.	355.9 (20/5)	146.0 (6/1)	543.6 (18/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	280.2 (20/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	May 30	May 29
Daily—		
Gilt-Edged	113.2	154.6
Industrials	215.4	208.9
Speculative	87.5	74.2
Totals	144.3	138.6
5-day Av'r'ge		
Gilt-Edged	121.1	126.9
Industrials	222.7	236.1
Speculative	88.0	90.7
Totals	147.1	152.7

FT—ACTUARIES INDICES

—	May 30	May 29	May 28	May 27	May 23	May 22	A year ago
Industrial Group	135.38	136.27	137.96	140.12	139.76	138.79	111.56
500 Shares	147.43	148.28	149.91	152.11	151.59	150.27	120.41
Div. Yield %	5.95	5.93	5.86	5.78	5.80	5.85	6.76
P/E Ratio (net)	7.21	7.19	7.26	7.38	7.36	7.29	7.26
All Share	145.31	146.46	148.27	150.60	149.95	148.87	117.54
Current yield	14.93	14.91	14.92	15.14	15.11	15.10	13.90

South Africans had Anglo-Transvaal Industries 10 higher at 185p and O.K. Bazaars "A" 20 to the good at 840p, both 1975 peaks.

Consolidated Tea and Lands featured Plantations, jumping 40 to 155p on the unexpectedly good results. For a similar reason, Teith Holdings gained 10 to 260p. Elsewhere, Guthrie lost 15 to 260p in sympathy with the easier industrial market.

Golds steady

Despite the fresh setback in the bullion price Gold shares held up, being helped by the renewed firmness of the investment currency premium. The Gold Mines index gained 3.8 to 429 cutting the loss on the week to only 4.2 while the metal ended the day 25 per cent. lower at $168 per ounce, after $167, making a fall of $5 over the longer period.

London-based Financials were unaffected by the decline in the U.K. Industrial market. Charter, whose results are due to be published on Wednesday, recouped 7 at 179p but were still 15 down on the week. The overseas issues also moved higher with Anglo American adding another 10 at 520p and Union Corporation gaining 15 to 580p, both at 1975 "highs."

Silvermines rallied 10 to 80p on further consideration of the Irish offshore oil licence allocations. Transvaal Consolidated Land (£14½) were suspended at the company's request pending the announcement of a decision concerning a scheme of arrangement with Witbank Colliery.

Platinums eased afresh with Potgietersrust being 4 off at 214p. It was announced in Tokyo that a low-cost and non-platinum car exhaust emission catalyst had been developed using active alumina coated with ferrite.

In an otherwise steady Copper section Roan Consolidated fell 15 to 345p following news of a March quarter sales loss and the further omission of a quarterly dividend.

In line with overnight home markets and helped by the premium Australians ended with gains across the board. Gt. Boulder, however, were 1 off at 84p but still up 35 on the week following the full bid approach from Western Mining (205p). Tins gained ground with the exception of London Tin which eased 5 to 180p on further consideration of the Haw Par deal.

MONTHLY AVERAGES OF STOCK INDICES

—	May	April	March	Feb.
Financial Time				
Govrnmnt Secs	57.45	59.25	60.99	57.51
Fixed Interest	57.55	59.67	60.81	57.27
Industrial Ord.	376.0	314.9	292.7	262.5
Gold Mines	399.3	363.7	401.1	369.3
Dealings mkd.	7,207	8,140	8,897	8,550
F.T. Actuaries				
Ind. Grp.	133.42	123.71	116.82	100.24
500-Share	144.46	131.87	124.95	107.99
All-share (650)	145.85	130.99	124.48	106.66
20-year Govt	46.83	48.89	51.46	44.92
Red. Debs	45.60	42.66	43.07	42.70

—	High	Low
Industrial Ord.	355.9 (20th)	311.1 (6th)
All-Share	162.07 (20th)	133.14 (6th)

AUTHORISED UNIT TRUSTS

				Yield %
(a) (g) Abacus Arbuthnot Ltd.				
53, Fountain St., M/C 061-236 9175/6				
♦Giants	33.0	34.8	+0.5	4.30
Giants Accum.	34.4	36.3	+0.3	4.30
♦Growth Units	29.8	31.1	+0.3	4.30
Growth Accum.	30.7	32.5	+0.3	4.30
(a) (g) The Crescent Group				
Crescent Unit Trust Managers Ltd. 4, Melville Cres., Edinburgh 3. 031-226 4931				
81, Fountain St., Manchester 061-236 8685				
♦Crescent Growth	18.2	19.3	−0.3	4.95
♦Cres. Internat'l.	39.6	41.6	−0.2	2.13
(a) (c) ♥ Lawson Securities Ltd.				
63 George Street, Edinburgh 031-226 3911				
Scots Resources*	74.9	76.9	−0.8	5.70
Gilt & Warrant	28.1	30.1	−0.2	1.74
High Yield**	108.4	116.4	−2.1	13.30
Accum. Units**	117.8	125.8	−0.1	13.30
(a) (z) Pearl Montagu T. Mgrs. Ltd.				
114 Old Broad St., EC2P 2PB 01-588 6464				
♦P&M Growth Fd	18.2	19.6		4.18
♦Accum. Units	19.8	21.5		4.18
♦P&M IncomeFd.	22.0	26.7		7.32
♦Pearl M'taguTst	27.0	29.1	−0.7	4.58
(a) (g) Slater Walker Tst. Mangmt.				
♦S.W. Growth		64.6	−0.4	5.01
♦S.W. AssetsTrust	51.5	55.1	−0.5	6.73
♦S.W. CapitalAcc.	36.8	39.4	−0.2	4.79
♦S.W. Finan'l Tst.	36.9	39.5	−0.1	4.03
♦S.W. High Inc.	52.7	56.4	−0.6	7.38

[INSURANCE, PROPERTY, BONDS PRICES PAGE 21]

OFFSHORE AND OVERSEAS FUNDS

			Yield %
Albany Management Co. Ltd.			
P.O. Box 1046 Hamilton, Bermuda			
Albany Fd. Ltd.	$3.27	5.66	—
Australian Selection Fund N.V.			
Lond. Agent Pan Australian Inv. Mgt. Ltd. 20, Red Lion Court, E.C.4. 01-353 2416			
U.S.$10 shares	US$5.00		—
Next sub. day May 22.			
Free World Fund Limited			
Butterfield Building, Hamilton, Bermuda			
NAV Apr. 30	US$154.62		—
G.T. Bermuda Ltd.			
Bk. of Bermuda, Front St. Hamltn. Brmda			
Berry PcFd May 28	US$44.29		1.70
do. PacStg May 28	119.05	126.02	—
BerryIntFd May 28	US$10.16	−0.18	1.03
GT DirFd May 28	US$5.69	+0.07	1.90
Murray Johnstone (Inv. Adviser)			
163, Hope St., Glasgow, C.2. 041-221 5521			
*Hope Street Fund	US$31.00		—
†Murray Fund	US$6.15		—
*NAV May 15. †NAV April 30.			
Negit S.A.			
10a, Boulevard Royal, Luxembourg.			
NAV May 23 1975	US$9.64	−0.07	—
Negit Ltd.			

Oxford Union trust plan opposed

FINANCIAL TIMES REPORTER

OPPONENTS of a scheme to make the Oxford Union Society a registered charity are to fight the decision in the courts, following a three to one vote in favour by members last night.

The poll, which was called by opponents of the scheme, showed 715 in favour of the Society obtaining charitable status and 236 against.

The result was hailed as "the most important decision taken by the Society almost since its foundation," by Mr. Michael Soole, chairman of the Anniversary Committee which is responsible for launching an appeal to raise £750,000.

Wrong in law

But Mr. Michael Bacchus, who has led the fight against the change, said after the result that a High Court writ issued last week would be served on the standing committee, which would seek to require that more information be given to opponents of the scheme. "It is not over and done with by a long way," he said.

He said the scheme was wrong in law as well as in practice. The scheme proposed by the standing committee is to set up an Oxford Literary and Debating Union Trust with educational facilities, which would be the basis of the Trust and would be open to all members of the University for a fee.

The purpose of the scheme is to ensure the success of the appeal which is aimed at paying off a debt of nearly £70,000, including a loan of £17,000 from the University and raising enough money to restore the union buildings, which would cost an estimated £200,000.

Supporters of the scheme say that turning the Society into a charitable trust is the only way of ensuring the success of the appeal, as people would find it easier to give money.

Mr. Bacchus claims that the money can be raised without changing the constitution of the Society. Turning it into a charity would amount to handing £1m. of buildings and property to the trustees to pay off the debt, he said. It was "little short of ludicrous."

Universities' pledge on expenditure inquiry

BRITAIN'S university chiefs last night promised co-operation with the Government in an examination of educational expenditure. The committee of vice-chancellors is to conduct a major study of the university sector which it hopes to publish in November.

Sir Arthur Armitage, chairman of the committee, and vice-chancellor of Manchester University, said in London last night: "What we are talking about is educational cuts right across the educational sector, and how much in the economic necessities of the country the country can afford to cut from its educational programme right across the board.

"We shall take account of everything Lord Crowther-Hunt, the Minister of State, has said in relation to areas that should be considered for economies, but we shall want to preserve to the full the university quality that this country enjoys."

But this did not mean a plea for special treatment—the universities would take their full share in economies that had to be made in the national interest.

Tate and Lyle warn of redundancies

BY OUR LIVERPOOL CORRESPONDENT

TATE AND LYLE workers at the Liverpool sugar refinery in Love Lane have been warned that 500 are likely to face redundancy with their jobs phased out over the next five years, mainly by natural wastage.

Another 900 jobs at Liverpool could be at risk, depending on the availability and price of raw sugar cane.

The news has been given to the 2,000 work-force at Liverpool by the Employees Action Committee formed three years ago by the refineries in Liverpool, London and Greenock to protect the interests of the industry and the jobs of the workers with Britain in the EEC.

Further discussions are to be held with management, but the action committee is fearful that if the referendum vote is firmly in favour of Britain staying in, sugar imports to this country will be limited.

Claims for pollution by oil eased

By James McDonald, Shipping Correspondent

LOCAL AUTHORITIES and other claimants who have to meet the cost of "mopping up" oil that has come ashore from tankers in future will be able to claim more effectively for compensation.

Four statutory instruments published by the Department of Trade will enable Britain to implement the International Convention on Civil Liability for Oil Pollution Damage as from June 19.

Provided they can identify the tanker responsible for the spillage—a major provision—local authorities will be better placed to claim compensation because, under the convention, a tanker owner's liability is strict and it is not necessary to prove he was at fault in allowing the spillage.

BP joins in Norwegian exploration

BY ADRIAN HAMILTON

BRITISH PETROLEUM has entered the field of Norwegian off-shore exploration for the first time. In an agreement announced yesterday, the company and its associated Norwegian concern, Norsk Braendselolje, has taken a 35 per cent. share with Statoil and Saga Petroleum in block 35/3.

The block, which is in deep water at the northern end of allocated Norwegian acreage, was recently offered to Chevron (Standard Oil of California) but was then withdrawn by the Norwegian Government after the company had insisted on certain tax concessions.

The fact that BP has now stepped in is no surprise. The group, which originally seriously underestimated the potential of Norwegian acreage and failed to get in during the early rounds, has been known to be anxious to rectify this and has been negotiating to operate with the State oil company in several blocks over the past year or so.

Under the terms of the new arrangement, Saga Petroleum, a consortium of private Norwegian interests, is to act as operator during the initial exploratory phase, aided by BP which may well take over the main development role should a find be made.

SEARCH LICENCES

Three licences authorising exploration for oil and gas have been granted to the British Gas Corporation and BP covering about 650 squares miles in Dorset and Hampshire, the Department of Energy said.

This week's SE dealings

Friday, May 30	6,340	Wednesday, May 28	6,294	Friday, May 23	6,849
Thursday, May 29	6,090	Tuesday, May 27	6,750	Thursday, May 22	7,561

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Mc—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS, ETC. (526)

2½pc Anns. 16⅛⊕ (29/5)

3pc British Transport Stk. 1978-88 40⅜⊕ 1⅛⊕ 40½‡⊕ ⅞‡⊕ ½ ⅝ ⁹⁄₁₆ ⅝

[illegible]

Bristol Corp. 7pc 98⅝⊕ (29/5)

Bucks Co. Ccl. 5¼pcRed. 99¼⊕ (29/5)

Camden Corp. 6½pcRed. 80½⊕

Cardiff 7pcRed. 70 (27/5)

Coventry Corp. 6pcRed. 81½

[illegible]

Corp. of London 6½pc 1975-78 84¼⊕. 6½pc 1980-82 71⊕. 7½pc 74¾ (27/5). 9¼pc 78⊕ (29/5). 9½pc 86¾

Greater London 7¼pc 89¼⊕. 9¼pc 88⊕ ¼⊕. 9½pc 83⅞‡. 12½pc 96⅝⊕. 12½pc (iss. at 97.75pc £40 pd.) 38½⊕ ⅝ ¼ ½

Ayr Co. Ccl. 6½pcRed. 80 (27/5)

Belfast City Ccl. 6½pcRed. 72½

Birmingham Corp. 5pcRed 99¹³⁄₁₆⊕ ¾⊕ ³⁄₁₆⊕ (29/5). 6pc Red. 92⊕. 7¾pc Red. 76¼⊕. 9¼pc Red. 85½ (27/5)

Brighton Corp. 2¾pcRed. 94½ (27/5). 6½pc 80

Bank Montreal ($C2) 11⅞⊕ ½₀

Bank N.S.W. (Lond. Reg.) ($A2) 683⊕

Bank Scotland 260⊕ 56⊕ 5

Barclays 260‡⊕ 7‡⊕ 3‡⊕ 8‡⊕ 7⊕ 93⊕ 4⊕ 5⊕ 1‡ 5 4 89 90 3 2 88. 8¼pcLn. 57 ½ ¼

[illegible]

Mersey Docks Harbour Combined Units 7¼⊕ 6½‡⊕. 3¼pcDb. 1974-84 28½ (27/5). 3¼pcDb. 1979-89 15⊕. 6⅝Db. 87 7¼pcDb. 1975 94⅛⊕ (29/5). 7⅞pcDb. 1976 81⊕ (29/5). 8pcDb. 59⊕

Milford Docks 70

[illegible]

Camrex (Hldgs.) (20p) 56⊕ 8

Canning (W.) (25p) 34½⊕

Cape Industs. 7¼pcUnsec.Ln. 48

Caplan Profile Group (10p) 57 (27/5)

Capper-Neill (10p) 46½‡⊕ 70 8⊕ ¼⊕ ½⊕ 7 8 7½ 8½ 50

Caravans International (20p) 12½⊕ (29/5)

Carless Capel Leonard (10p) 50⊕ 50 ½ 1 3½‡ 2½‡

Carlson Industries (25c) 49 50 (27/5). 9½pcUnsec.Ln. 43⊕

Caroni (10p) 64⊕ 3¼⊕ 6⊕

Carpets Internatl. (50p) 76⊕

COMMODITIES/Review of the week

Further fall in lead prices

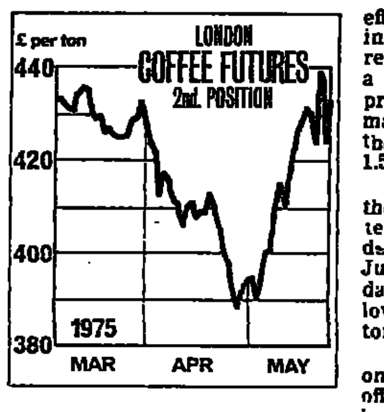
BY OUR COMMODITIES STAFF

LEAD PRICES came under pressure again on the London Metal Exchange this week, with values sinking to the lowest level since February 1973. Cash lead lost £4.5 yesterday, to £146 a tonne, £7.5 down on the price a week ago.

The market rallied slightly after the Whitsun holiday, but fell again as it became apparent that the producers were not resuming their support buying programme, for the moment at least. Forecasts of a rise in warehouse stocks—expected to be the first of several stock increases during the next few weeks—put extra downward pressure on the market yesterday.

Zinc has also come under selling pressure with the belief that it must follow the trend of its sister metal, lead. But zinc producers have supported the market steadily with buying of cash. As a result, the cash price lost only £2 on the week, to £318.5 a tonne, but the three months' quotation fell by £10.5 to £303.75.

Zinc producers, not faced with the problems of surplus scrap supplies found in the lead market, appear determined to maintain prices by taking off surplus supplies. A decline in warehouse stocks is forecast.



Another substatnial rise in copper stocks, and forecasts of yet another big increase, depressed prices. Cash wirebars fell during the week by £16, to £532.5 a tonne. There were signs, however, of renewed buying interest at the lower levels, especially from speculators, and the market held steady yesterday.

Reports from Kuala Lumpur that China is prepared to buy up to 40,000 tonnes of Malaysian natural rubber with immediate effect encouraged higher prices in Malaysia, which were reflected in a 0.75p rise, to 28p a kilo, in the RSS No. 1 spot price on the London physical market yesterday. The rise on the week for the spot price was 1.5p.

Coffee prices rose sharply on the London terminal market yesterday following a general decline earlier in the week. The July position gained £9.5 on the day, to finish the week £6.25 lower on balance at £433.25 a tonne.

A sudden change in sentiment on the wool market was sparked off at the beginning of the week by uncertainty about the 1975/1976 Australian wool floor price. Reports that the Government planned to cut the support level from 250 cents a kilo to 200 cents shook confidence.

In the event the Labor Party caucus ruled that the floor price should remain at 250 cents. The Australian Wool Corporation indicator price fell 8 cents on the week to 265 cents—10 cents below the year's peak.

The London daily sugar price dropped by another £14 this week, to £163 a ton, the lowest level since January, 1974.

WEEKLY PRICE CHANGES

	Latest price per ton unless stated	Ch'ge on week	Year ago	1975 High	1975 Low
Metals					
Aluminium	£39[illegible]	—	£316.5	[illegible]	£378.6
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Latest price per ton unless stated	Ch'ge on week	Year ago	1975 High	1975 Low
Spices					
Cloves	£2,350	—	£2,450	£2,390	£2,350
Pepper, White	£[illegible]	−20	£[illegible]	£[illegible]	£[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BASE METALS

COPPER—Edged higher on the London Metal Exchange. Prices initially were easier following forecasts of a further sizeable increase in the already record warehouse stocks figure, with forward metal opening at £550 and falling to £547. European interest, coupled with short-covering, week-end book squaring, the easier tone of sterling and a recovery on Comex initiated a rally here to £552 before the price ended at £551.5 on the afternoon Kerb. Prices were around £16 lower over the week. Turnover 8,025 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	528-.5	−2	532-3	+1.5
3 months	547.5-8	−2.5	551-.5	+1
Settlem'nt	528.5	−2	—	......
Cathodes				
Cash	518-.5	−2	522-.5	+.75
3 months	537.5-8	−2.5	541-2	+.25
Settlem'nt	518.5	−2	—	......
U.S. Smt.	—	......	*63.70	......

Morning: Standard: cash £2,975, three months £3,012, 12. Kerbs: untraded. Afternoon: Standard: cash £2,972, three months £3,012, 11. High Grade untraded. Kerbs: Standard: three months £3,010.

TIN—Eased marginally in quiet trading, modest hedge selling depressing prices during the afternoon. Influential borrowing of High Grade cash metal was thought in some quarters to have been on buffer stock account. A small rise is expected in warehouse stocks over the week. Turnover 1,000 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	2974.5	−2	2971-3	−4
3 months	3012.5	−5.5	3010-2	−5.5
Settlem't	2975	−2	—	......
Standard				
Cash	2974.5	−2	2971-3	−4
3 months	3012.5	−5.5	3010-2	−5.5
Settlem't	2975	−2	..	......
Straits E.	†9.25	..	..	......
New York	—	....	*343.0	−5.0

Amalgamated Metal Group reported that in the morning cash wirebars traded at £527, 28.5, 29, three months £547, 47.5, 47, 46, 46.5, 47, 47.5, 48. Cathodes: cash £515, three months £528.5, 38. Kerbs: Bars: three months £545, 47.5. Cathodes: three months £538. Afternoon: Wirebars: cash £531, 32, three months £550, 50.5, 50 to 51.5. Cathodes: cash £522.5. Kerbs: three months £552, 51.5.

LEAD—Lost ground but closed above the day's lowest. Cash metal fell to £142 at one time as fresh offerings, prompted by forecasts of a fair sized rise in warehouse stocks, again found the market almost devoid of buying, while there was still no sign of any support purchases on behalf of producers. Short-covering and book squaring caused a modest recovery during the afternoon. Even so, cash metal was £7.50 down on the week while forward was almost £3 easier. Turnover 3,600 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	142.5-3.5	−7.75	145.75-6.25	−4.5
3 months	148-9	−7	151.5-2	−3.25
Settlem'nt	143.5	−7.5	..	......
N.Y. Spot	—	......	*22¼-41½	......

Morning: cash £147, 44, 43, late July £154.5, three months £154.5 to 49. Kerb: three months £148.5, 49. Afternoon: cash £145, three months £150, 51, 52. Kerb: cash £147.

ZINC—Irregular. Cash metal traded up to £324 in early dealings helped by renewed support buying, but later reacted to £318.5. A small decline is expected in warehouse stocks over the week, during which cash metal eased £2 and forward lost £10. Turnover 5,275 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	319-20	−3.75	318-9	......
3 months	301-2	−2	303.5-4	+1.25
S'ment	320	−3.5	—	......
Prim. West	—	......	*38½-9	......

Morning: cash £320 to 24 to 19, three months £302, 05, 04. Kerb: three months £301, 02, 03. Afternoon: cash £319, late Aug. £304, three months £305, 03.5. Kerb: three months £304.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

FREIGHTS

DRY CARGO—There was a further contraction in the volume of chartering and, with little fresh inquiry, few brokers anticipated any improvement in the near future. [illegible]

SILVER

COCOA

COFFEE

GRAINS

RUBBER

SUGAR

MEAT/VEGETABLES

WOOL FUTURES

JUTE

Copper up in spite of LME trend

NEW YORK, May 30.

SILVER finished slightly lower in featureless trading. Copper advanced, although LME stocks were expected to reach new record levels on Monday. Commission House selling forced cocoa lower in active trading. Sugar edged higher on trade buying. Chicago grains finished weaker in wheat on hedge selling while maize and soyabeans closed mixed in a lacklustre session, Bache reports.

Cocoa—Ghana spot 62¼ (63). Bahia spot 53¾ (53¾). July 47.80 (48.55). Sept. 49.35 (49.35). Dec. 45.85. March 46.40. May 45.85. July 46.90. Sept. nil. Sales: 855.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (same). "C" Contract: July 54.25-54.00 (53.50). Sept. 55.40-55.50 (55.05). Nov. 56.15-56.30. Dec. 56.60. March 57.00. May 57.50-57.65. Sales: 240.

Copper—May 54.20 (54.10). June 54.70 (54.60). July 55.20. Sept. 55.80 settlements. Sales: 1,169.

Cotton—July 44.40 (44.50). Oct. 45.60-45.50 (45.70). Dec. 46.15-46.25. March 47.05. May 47.65 bid. July 48.35 bid. Oct. 48.75 bid. Sales: 1,813.

†Gold—June 166.50 (167.60). July 167.70 (168.80). Aug. 169.00. Oct. 171.50. Dec. 173.90. Feb. 176.20. April 178.50. June 180.80. Aug. 183.10. Oct. 185.40. Sales: 1,011.

Greasewool—Spot 134.0 nom. (same). July 132.5-137.5 (132.3). Oct. 135.0-138.5 (135.0). Dec. 138.0-142.5. March 138.0-145.0. May 138.0 bid. July 138.0 bid. Oct. 138.0 bid.

[illegible]

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

GAS (11)

INSURANCE (405)

ELEC. LIGHTING & POWER (—)

FINANCIAL TRUSTS, ETC. (155)

INVESTMENT TRUSTS (340)

Sumley (Bernard) (25p) 158 54 (27/5)
Town and City (10p) 27½0 9 0 ...
Town and Commercial Props. (20p) 25½ (27/5)
Town Centre Secs. (25p) 17
Trafford Park Ests. (25p) 560 (29/5)
Utd. Real (25p) 2450 400 20 (29/5)
Waite and Son (10p) 580
Warnford Invsts. (20p) 1900 (29/5)
Webb (Joseph) (5p) 130 ½0 (29/5)
Wingate (20p) 37 6½ 7½
Winston Ests. (25p) 19 (27/5)
Woodmill Prop. Grp. (5p) 40

RUBBER (32)

Chersonese (F.M.S.) (10p) 30½0 20 (29/5)
Consolidated Plantations (10p) 610 ½
Gadek (10p) 730
Golden Hope (10p) 58½0 80
Guthrie Corp. 265:0 ½:0 80 770 600
5 56 60. 5½pcPf. 32 (27/5)
Highlands Lowlands Para (10p) 480
Hongkong (Selangor) (10p) 450
Kuala Lumpur Kepong Berhad (SMa.1) 39¾ ½0
Kulim (10p) 28½0 7
London Asiatic (10p) 560 5½
London Sumatra (10p) 310 2
Maledie Invests. (5p) 530
Malakoff (10p) 700 (29/5)
Malayalam Plantations (10p) 6½0
Muar River (10p) 520 ½0 (29/5)
Pataling (10p) 51½0 1
Plantation Hldgs. (10p) 39½0 41¾0 20 24½0 39 41 ½. 11pcLn. 1480 (29/5)

SHIPPING (53)

Atlantic Shipping Trading 238. A 238
Brit. Commonwealth Shipping (50p) 1900 50 (29/5)
Caledonia Invests. (25p) 1670 90 70 (29/5)
Common Bros. (50p) 85
Furness Withy 2130 14½0 120 12 13
Hunting Gibson 132
Jacobs (John I.) (20p) 23½0 30 2½0 2
London Overseas Freighters (25p) 400 ½0 39½
Lyle Shipping A (25p) 122 3 (27/5)
Ocean Transport Trading (25p) 1110 100 10 8½ 9½
Peninsular Oriental Steam Nav. Dfd. 1120 14½0 12½ 11½ 13 12 14 10½
Reardon Smith Line (50p) 4500 400 (29/5). A (50p) 222
Runciman (Walter) (25p) 1070 90

TEA & COFFEE (3)

Assam Invests. 40¼0
Blantyre Tea Hldgs. 185
Camellia Invests. (10p) 49
Chubwa Tea 420 (29/5)
Clairmace (10p) 42
Crosby House Group 67½
Jokai Tea Hldgs. 1150 15
Lebong Tea 98
Lunuva (Ceylon) Tea Rbr. Estates 43
McLeod Russel 80. 7pcUnsec.Ln. 35½
Singlo Hldgs. (10p) 9 (27/5)
Telbedde Ceylon Invests. Ord. (Rkg.Div.) (25p) 19 ½ (27/5)

TRAMWAYS & OMNIBUS (—)

Tollgate Hldgs. (R1) 1550 (29/5)

WATERWORKS (2)

Bristol Water. 4.9pc (7pc Max.) 39. 3½pc Db. 170 (29/5)
Colne Valley 3.5pc (5pc) 28. 9pcPf. (f.p.) 1000 (29/5): Do. (£10 pd.) 11¼0
Lee Valley 7½pcDb. 1991-93 51½0 (29/5)
North Surrey 7¼pcDb. 51
Portsmouth 3.5pc (fmly. 5pc) 290 30
West Kent Water 7½pcDb. 1989-91 530 (29/5)

SPECIAL LIST

MAY 30 (Nil)

MAY 29 (Nil)

MAY 28 (Nil)

MAY 27 (1)

Plastocraft Prods. (Darwen) 1500

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

MAY 30

Acmex 18
Alliance Oil 2:0
Aust. Mng. Smtg. 137
Australian Paper 1050
Aust. Utd. Devels. 940 2
Autodect (S.A.) 1000
Bougainville 125 20
Can. Pac. ...
Ciba Geigy 8pc 1740
Comm. Bk. Aust. 300
Commonwealth Ind. Gas New ...
Duff. Devs. 530
Gen. Food $25¼0
Grace Bros. 143
Hong Kong Land 110½0 13½ 13 15 14
Houston Nat. Gas $US430
Hutchison Intnl. 36
Jardine Math. 4020 400
Massey Ferguson $US70
Metal Explrn. 400 7
Nedbank 285
Nicholas Intnl. ...
Oakbridge 680
Ocean Resources 10
Oil Search 390 70 850 9½
Phillip Morris Inc. £42½0
Poseidon 4900 50:0 60
Siebens Oil 8600
Sthn. Pac. Props. 14
Swire Pcfc. A 2200
Timor Oil 9½
Tokyo Pac. Hldgs. $US230
Walgreen 955
Wheelock Marden A 57 ½ 6 ... 4½0
Whim Creek 36
Woodside Oil 70

MAY 29

Acmex 19
Aust. Foundation. $US1.01
Brockway Glass £13½0
Comalco Rts. 300
Grt. American Mortgage 50¢
Haw Par Bros. 150
Hiram Walker £24½0
Indo. Cons. 15½0
Jardine Secs. 125
Overseas Cpn. Aust. 105
Peko Wallsend 320½ 2
Petrofina $US117½0
Stanford Mines 690
Swire Pac. A 20

MAY 28

AE and CI 1950
Algoma Central Rly. $US14
Anglo Utd. Devs. 1070 4
Aust. Consd. Minerals 80
Colonial Sugar Refineries 473
Cons. Diamond Mines South West Africa 7½pcPf. 600
Dresdner Bk. $US96½
EZ Inds. New £30
Gough Cooper (S.A.) 94
Hudson's Bay Oil Gas £22¼
Johnson Johnson £72½0
Lewis (H.) (S.A.) 285
Magellan Pets. 42
Myer Emporium 1520
Nederland Bk. (S.A.) 1880
Power Cpn. Canada 6680
Reynolds Metals $US21½
Sabina Inds. 1200
Siemens Wrnts. £34½0
Stellenbosch Wines 3700
Telephone Electric £17¼
Tidewater Marine $US37½
Vulcan Minerals 11
Westmex 5½
Wheelock Marden 8 6½0

MAY 27

Algoma Central Rly. £10½
Amsterdam Rotterdam Bk. $US32½ ¼
Aust. Consd. Inds. 145
Aust. Devs. 460
BP Canada 925:0 5 20
Deutsche Bk. $US1460 2
Empisal 67½ 8
Exxon Cpn. £53¼:0 14½
Hambros Canada 1280
Intnl. Food $US2½
Jardine Matheson 4460 66 71 2
Metal Explrn. 50
Montecatini Edison 750
Natl. Bk. Australasia (Aust. Reg.) 407
New Metal Mines 1½
Pall Cpn. £28½0
Pioneer Sugar 4550
Selangor Coconuts 300 290 9
Siebens Oil Gas (Canada) 4150
Tara Explrn. £120
Thomas Nationwide Transport New 40
Tongaat Grn. 205 6 7 8
Tucker's Land Hldgs. (S.A.) 99½ 100
Westfield Minerals 68
Zapata Con. Wrnts. £110

(By permission of the Stock Exchange Council)

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv (20p)	12	......	Gardiner Sons..	11	......	Sheff. Refrshmt	150	......
Ash Spinning...	37	......	Gardner (L.).....	62	......	Shiloh Spinn....	28	......
Bertam.........	15	......	Graig Sh'p (£1).	470	+10	Sindall (Wm.)...	46	......
Brady (G.) "A"	54	+1	Hallam SL (10p)	9	......	Vincent (H.).....	85	......
Br'wtr Est. (50p)	135	......	Higsons Brew ..	87	......	IRISH		
Clover Croft.....	35	......	Holt Joseph 25p	180	......	Alliance Gas (£1)	66	......
Craig & Rose £1	316	......	IOM Steam £1.	110	......	Carroll (P.J.)..	116	+1
Dundee Ice £1..	295	......	Kleen-E-Ze	30	......	Clondalkin	61	—2
Dyson (R. A.)...	35	......	Lovell's Ship £1	140	......	Concrete Prods.	72	+1
Ellis & McHdy	57	......	NthnGoldsm'th	70	......	Goodbody (£1).	38	......
Evans Frdk (10p)	31	......	PMA.............	55	......	Heiton (Hldgs)	35	......
Evered	13	+1	Pearce C.H......	60	......	Irish Distillers.	70	—1
Fife Forge.......	48	......	Peel Mills........	18	......	Irish Wire Bd.	40	......
Finlay Pkg (5p)	16	......	Richards (10p)..	10	......	Jacob	56	—2
Fr'st & Reed (50p)	88xd	—2	Robb Cal. (5p) ..	45	—7	Sunbeam	13	......
			Sayers Con 12½p	9	......	Unidare	65	—5

ACTIVE STOCKS

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1975 high	1975 low
ICI	£1	83	281	— 3	286	118
Shell Transport	25p	59	318	—15	341	118
Courtaulds	25p	57	134	+ 4	140	53
BP	£1	54	490	+18	490	190
EMI	50p	50	184	—13	200	62
BATS	25p	49	318	— 7	337	164
GEC	25p	47	120	— 7	131	51
Sun Alliance 'New'	Nil/pd.	47	102*	—18	130*	100*
Barclays Bank	£1	45	293	+ 1	300	112
Boots	25p	45	251	—14	276	91
Beecham	25p	41	299	— 4	306	116
Charter Cons.	25p	40	179	—15	205	87
Lonrho	25p	40	149	—10	159	63
MEPC	25p	38	150	—11	231	64
Commercl. Union	25p	37	170	—13	194	72

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
Courtaulds	25p	17	134	— 6	140	53
ICI	£1	16	281	— 1	286	118
Charter Cons.	25p	14	179	+ 7	205	87
MEPC	25p	12	150	— 3	231	64
BATS	25p	11	318	— 5	337	164
EMI	50p	11	184	— 8	200	62
Prudential 'New'	Nil/pd.	11	18*	—	20*	14*
Shell Transport	25p	11	318	— 4	341	118
Beecham	25p	10	299	— 4	306	116
GKN	£1	10	246	— 3	259	95
Lonrho	25p	10	149	— 3	159	63
Dunlop	50p	9	49	—	59	17
GEC	25p	9	120	— 3	131	51
IMPS	25p	9	57½	— 1½	66½	32
Barclays Bank	£1	8	293	+ 1	300	112

* Premium.

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e) and reproduced to-day in Stock Exchange dealings.

BUILDING SOCIETY RATES

	Dep.	Share Accnts.	Sub'pn Shares	Variable Term Shares
Abbey National ■	6.75%	7.00%	8.25%	•8.25%
Alliance ■	6.75%	7.00%	8.25%	‡‡7.75%
Anglia ■	6.75%	7.00%	8.25%	‖7.75%
Birmingham Incorporated ■	6.75%	7.00%	8.25%	—
Bradford and Bingley ■	6.75%	7.00%	§8.25%	—
Bristol and West ■	6.75%	7.00%	8.00%	—
Chelsea ■	6.75%	7.00%	9.00%	†7.25%
Cheltenham and Gloucester ■	6.75%	7.00%	—	‡7.75%
Cheshire and Northwich ■	6.75%	7.00%	8.25%	—
Citizens Regency	7.25%	7.70%	8.75%	—
City of London ■	7.00%	8.00%	8.50%	—
City and Metropolitan ■	6.75%	7.25%	7.50%	¶8.00%
Coventry Economic ■	6.75%	7.00%	8.75%	§§7.75%
Gateway ■	6.75%	7.00%	8.25%	¶7.75%
Greenwich	—	7.60%	8.50%	—
Halifax ■	6.75%	7.00%	8.00%	¶8.00%
Hastings and Thanet ■	6.75%	7.00%	8.25%	—
Hearts of Oak and Enfield ■	6.75%	7.25%	8.50%	—
Hendon	7.35%	7.77%	—	*8.05%
Huddersfield and Bradford ■	6.75%	7.00%	8.50%	♡7.75%
Leamington Spa	6.87%	7.12%	9.50%	7.50%
Leeds and Holbeck ■	6.75%	7.00%	8.00%	—
Leeds Permanent ■	6.75%	7.00%	8.25%	—
Leek Westbourne and ECBS	7.25%	7.50%	8.75%	¶¶8.50%
Leicester ■	6.75%	7.00%	8.25%	††7.75%
Magnet ■	6.75%	7.00%	7.75%	♡7.75%
Mornington Permanent ■	6.45%	7.65%	—	—
National Counties	7.50%	7.75%	—	—
Nationwide ■	6.75%	7.00%	7.50%	♧8.25%
Newcastle Permanent ■	6.75%	**7.00%	7.75%	8.00%
Northern Rock ■	6.75%	7.00%	8.00%	‡7.75%
North London	7.75%	8.25%	—	♧9.15%
Norwich ■	6.75%	7.00%	8.25%	—
Paisley ■	7.25%	7.00%	8.00%	‖‖8.50%
Portman ■	6.75%	7.00%	8.50%	△8.25%
Property Owners ■	6.75%	7.50%	8.50%	†7.85%
Provincial ■	6.75%	7.00%	8.25%	7.75%
Skipton	7.25%	7.30%	8.75%	—
Steyning and Sussex	7.25%	7.50%	9.00%	‡‡8.50%
Woolwich Equitable ■	6.75%	7.00%	8.25%	◊8.00%

■ Rates effective as from June 1, 1975.

* Minimum £2,000 6 mths. notice. † 3 mths. ‡ 3 yrs. § 3 yrs. including bonus. ¶ Min. £500 2 yrs. fixed. ‖ 4th issue 2 yrs. • 2 yrs. over £5,250. ** 7.50% over £5,000. †† 2-3 yrs. ‡‡ 2 yrs. §§ 7.50% 3 mths. notice after 9 mths. ¶¶ 2 yrs. £1,000 min. ‖‖ 2 yrs. £2,000 min. △ 2 yrs. £3,000 min. ♡ Min. £100 2 yrs. fixed. ◊ Existing accounts. ♧ 3 yrs. over £5,000.

مكتاهيں للأصل

NEW "HIGHS" AND "LOWS" FOR 1975

NEW HIGHS (81)

NEW LOWS (5)

MONEY + EXCHANGES

Slight fall in bill rate

Bank of England Minimum Lending Rate 10%
(Since May 2, 1975)

The Treasury bill rate fell slightly at yesterday's tender, to 9.4459 per cent., from the previous 9.4765 per cent. The minimum-accepted bid for the bills was raised 1p to £97.64½. Applications rose £68.5m. to £507.8m., with the amount of bills on offer increased £60m. to the relatively high figure of £300m. All bills offered were allotted, while next week a further £300m. bills will be on tender, against maturities of £150m. Bids at the minimum-accepted, which in annual discount terms was roughly equal to the average rate on accepted bids, were met as to about 98 per cent.

Day-to-day credit was in short supply, and the authorities bought a moderate amount of Treasury and local authorities, broadly making good the shortage readily indentifiable, and also lent a large sum to two or three Discount houses for the weekend at the Minimum Lending Rate.

Rates in the table below are nominal in some cases.

May 30 1975	Sterling: Certificates of deposits	Inter-bank	Local Authority deposit*	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills Φ	Bank bills Φ	Fine trade bills Φ
Overnight	—	4-9⅛	8-10	—	—	9½-10	7¾-9	—	—	—
2 days notice	—	—	9¼-9⅜	—	—	—	—	—	—	—
7 days or 7 days notice	—	9-9½	9⅜-9⅝	—	10-10¼	—	8¼-9½	—	—	—
One month	9 9/16-9 11/16	9½-9 11/16	9½	10-9⅞	10-10¼	—	9-9½	9 9/16-9 7/16	9 9/16-9⅝	10¼-11¼
Two months	9⅞-9⅝	9 11/16-9⅞	—	10-9¾	10¼-11	—	9¼	9½-9 15/32	9 [illegible]-9¾	10½-11¼
Three months	9 13/16-9 15/16	9 15/16-10	9⅞-10	10-9½	10½-11¼	—	9⅜-9½	9 [illegible]	9½	10⅝-11¼
Six months	10 1/16-10⅛	9 15/16-10⅜	10¼-10½	10½-9¾	11-11¼	—	—	—	10⅜	10¾-11½
Nine months	11 1/16-10⅞	10 15/16-11	—	11¼-10¾	—	—	—	—	—	—
One year	11¼-11⅛	11 1/16-11⅜	12¼-12⅜	11¾-11¼	—	—	—	—	—	—
Two years	—	—	13¼-13½	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice; others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13¼-13½ per cent.; four years 14¼ per cent.; five years 14½ per cent. ● Bank bill rate in table is buying rate for prime paper. Buying rate for four-month bank bills 9 15/16-10 per cent.; four-month trade bills 10½-11 per cent. Approximate selling rate for one-month Treasury bills 9¼-9 5/16 per cent.; two-month 9 5/16-9 13/32 per cent. Approximate selling rate for one-month bank bills 9⅝-9 7/16 per cent.; for two-month 9 9/16 per cent.; three-month 9 11/16 per cent.; for one-month trade bills 10-10½ per cent.; two-month 10-11 per cent.

Finance House Base Rate (published by the Finance Houses Association): 10½ per cent. from June 1. Clearing Bank Deposit Rates for small sums at seven days' notice: 6½ per cent. Clearing Bank Base Rates for lending: 9½ per cent. Treasury Bills: Average tender rate of discount 9.4459 per cent.

EXCHANGES AND BULLION

Sterling was a little stronger against major currencies in general in the foreign exchange market yesterday, with its trade-weighted average depreciation against 10 units since the Washington Currency Agreement of December, 1971 (as calculated by the Bank of England) narrowing on balance to 24.7 per cent., from 24.8 per cent. In terms of the U.S. dollar, the pound fell 5 points on balance to \$2.3160-2.3170—opening at \$2.3130-2.3140, and touching \$2.3090-2.3100 in the morning, but reaching \$2.3170-2.3180 in the afternoon. A more optimistic view of the U.S. economy was a factor, while the Bank of France was said to sell dollars as the franc lost a further part of its recent gains (ending at Frs.4.0350 to the dollar, against the previous Frs. 4.0075). The dollar's trade-weighted fall against 14 units since the Washington Agreement (as measured on noon rates in New York by Morgan Guaranty) narrowed to 6.93 per cent., 7.06 per cent., while sterling's fall on a similar basis narrowed to 29.84 per cent., from 30.14 per cent., and the French franc's appreciation narrowed to 6.21 per cent., from 6.65 per cent.

Gold fell \$¾ an ounce on balance in London to \$167¾-168¾, in moderate business. The spot price opened at \$167-168, and was in a range of \$167-168¾ throughout. The Krugerrand ended in places at a premium of 19⅜ per cent. over its gold content in domestic business, against the previous 19⅞ per cent., and at 2½ per cent. in international, against 3⅞ per cent.

EXCHANGE CROSS-RATES

May 30	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't	—	2.345-346	58.00 15	6.50 62	5.410 435	97.45 65	93.60-70
N. York	42.70-75	—	24.79-83	2.857-862	2.3195-3205	41.68-71	40.02-04
Paris	172.01 40	4.0415 0515	—	11.5425 5875	9.3556 360	167.955-5	161.36 75
Brussels	14.80 95	35.04 09	8.66 69	—	80.92 81.12	14.54 60	13.96 14.0
London	5.42¼ 43¼	2.316 317	9.34-35⅛	80.85 81.0	—	5.56½ 57½	5.78⅛ 79⅛
Am'rdam	102.51-.56	2.4047-72	59.505 556	6.8645-95	5.5535-55	—	96.015-060
Zurich	106.69 82	2.4986 5015	61.88 62.04	7.12-1375	5.795-805	103.77 97	—

U.S.\$ in Montreal, U.S.\$=100.28-34 Canadian cents. Canadian \$ in New York=99.70-76 cents. U.S. \$ in Milan 625.32. Sterling in Milan 1444.50.

FOREIGN EXCHANGES

OTHER MARKETS

GOLD MARKET

EURO-CURRENCY INTEREST RATES*

Euro-French deposit rates not available.

FORWARD RATES

INSURANCE, PROPERTY, BONDS

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

Figures in parentheses show number of stocks per section.

	EQUITY GROUPS / GROUPS & SUB-SECTIONS	Fri. May 30 Index No.	Day's Change %	Est. Earnings Yield % (Max. Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Thurs. May 29 Index No.	Wed. May 28 Index No.	Tuesday May 27 Index No.	Friday May 23 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (181)	123.14	−0.8	19.52	6.53	7.56	7.56	124.18	125.65	127.50	126.94	102.44	129.41 (20/5)	51.78 (6/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	106.51	−1.0	21.02	7.35	7.27	7.27	107.45	109.06	111.10	110.08	102.05	117.40 (22/4)	45.11 (6/1)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	228.60	−0.8	17.95	4.16	8.21	8.21	230.35	235.86	240.48	240.91	167.25	251.61 (23/4)	74.74 (6/1)	389.33 (19/5/72)	71.48 (13/12/74)
4	Electricals (16)	215.49	−0.8	17.54	5.51	8.22	8.21	215.29	219.58	222.43	225.54	194.22	229.60 (22/6)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	151.14	−0.1	22.87	7.26	6.69	6.69	151.27	153.09	156.46	156.97	106.05	159.79 (22/4)	64.39 (2/1)	202.57 (8/6/73)	64.39 (2/1/75)
6	Engineering (General) (65)	109.96	−0.9	19.92	7.26	7.36	7.36	110.94	111.40	112.33	111.77	84.08	112.99 (20/5)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (11)	48.14	−0.7	15.48	9.83	11.15	11.01	48.50	48.59	48.97	48.51	34.51	48.98 (20/5)	20.11 (2/1)	136.70 (4/7/65)	19.56 (13/12/74)
8	Miscellaneous (23)	115.98	−0.7	20.95	6.72	6.90	6.90	116.83	116.82	117.69	116.71	95.30	118.38 (20/5)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (59)	84.91	+0.1	21.46	7.29	6.88	6.87	84.84	86.85	87.64	87.72	90.29	90.59 (22/4)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	94.60	+0.1	21.54	5.42	6.72	6.71	94.53	97.75	99.09	98.68	107.52	105.62 (10/3)	44.28 (6/1)	257.41 (19/6/72)	42.85 (13/12/74)
11	Household Goods (15)	140.08	+0.2	30.13	7.58	4.79	4.79	139.83	140.36	140.12	139.88	149.13	146.90 (23/4)	64.55 (6/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (29)	46.79	+0.1	17.30	9.81	9.02	8.96	46.76	47.61	47.97	48.42	44.75	50.55 (22/4)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (164)	138.72	−0.5	14.49	5.89	9.82	9.77	139.46	141.53	144.14	143.59	109.15	145.61 (20/5)	61.98 (6/1)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (16)	152.04	−0.3	13.13	6.50	11.39	11.39	152.52	153.86	162.46	161.44	124.84	162.46 (27/5)	75.68 (6/1)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (8)	164.71	+0.2	13.74	5.69	10.72	10.72	164.43	166.54	168.41	167.88	147.16	171.28 (20/5)	80.42 (6/1)	257.40 (13/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (16)	148.57	−0.9	14.49	7.56	10.16	10.16	149.89	153.23	158.44	157.74	122.42	158.44 (27/5)	55.28 (6/1)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (22)	147.93	−1.3	14.04	5.27	9.68	9.63	149.92	151.51	153.46	154.14	107.18	156.15 (20/5)	62.03 (2/1)	211.65 (14/11/74)	59.67 (11/12/74)
18	Food Retailing (16)	143.85	+0.3	10.79	4.34	13.62	13.62	143.47	145.77	146.64	145.52	99.66	146.64 (27/5)	57.16 (2/1)	235.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	144.81	+0.1	17.93	6.60	8.38	8.38	144.71	147.41	147.95	147.36	147.01	147.95 (27/5)	55.08 (6/1)	260.29 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	99.73	−1.4	22.54	6.62	6.47	6.48	101.20	102.79	104.19	105.42	74.36	107.12 (20/5)	43.46 (6/1)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (30)	125.80	−0.1	10.95	5.15	13.66	13.66	125.65	127.32	129.24	128.51	89.70	132.94 (20/5)	52.63 (6/1)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (19)	138.45	−1.5	25.65	6.73	4.64	4.50	140.58	142.78	146.07	144.39	123.39	145.07 (27/5)	62.91 (6/1)	353.72 (17/9/65)	62.66 (11/12/74)
23	Tobacco (3)	183.72	−1.0	18.02	7.25	8.25	8.25	185.49	190.10	192.14	190.15	164.17	199.16 (10/3)	109.92 (6/1)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	41.20	−1.1	27.00	7.49	5.06	5.06	41.68	41.93	42.26	42.26	40.12	43.61 (23/4)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (25)	176.43	−0.9	20.13	5.05	7.08	7.08	178.03	177.86	181.03	180.45	135.39	181.03 (27/5)	73.14 (6/1)	201.92 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	93.26	−2.1	15.32	5.69	8.79	8.79	95.22	96.72	97.72	99.27	110.69	104.78 (17/4)	45.34 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (11)	376.47	−0.2	24.22	6.27	5.05	4.92	377.26	382.90	388.08	387.82	335.17	401.84 (10/3)	194.38 (6/1)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (46)	146.89	−0.7	17.91	6.62	8.07	8.07	147.86	149.88	151.26	151.08	121.17	152.06 (20/5)	60.39 (6/1)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	135.38	−0.7	17.22	6.04	8.32	8.29	136.27	137.96	140.12	139.76	111.56	141.24 (20/5)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	278.77	−0.1	26.40	5.44	4.06	5.79	278.98	279.85	282.24	279.86	215.43	282.24 (27/5)	105.83 (2/1)	431.66 (29/5/69)	87.35 (29/5/62)
31	500 SHARE INDEX	147.43	−0.6	18.57	5.95	7.21	7.05	148.28	149.91	152.11	151.69	120.41	152.81 (20/5)	63.49 (6/1)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	136.52	−1.5	—	5.31	—	—	138.73	141.38	143.07	143.20	109.99	148.45 (20/5)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	155.59	−0.4	23.78	5.05	6.26	6.26	156.17	158.30	158.89	156.79	127.98	163.68 (23/4)	62.56 (2/1)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	155.07	+0.2	—	7.84	—	—	152.75	153.27	152.34	152.86	125.67	169.27 (7/3)	84.13 (6/1)	293.13 (2/5/72)	81.40 (10/12/74)
35	Hire Purchase (5)	91.68	+8.9	27.22	9.99	4.88	4.48	84.21	97.18	102.22	99.89	198.96	134.39 (10/3)	42.81 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	111.05	−3.9	—	6.15	—	—	115.61	118.35	120.64	120.76	92.04	127.97 (25/4)	44.88 (2/1)	194.46 (15/8/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	111.82	−1.6	—	5.89	—	—	113.64	116.42	118.47	118.96	75.12	123.90 (20/5)	44.47 (2/1)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (8)	198.40	−0.9	10.12	4.42	14.66	14.66	200.18	201.06	201.57	203.36	144.36	211.50 (20/5)	68.96 (7/1)	262.57 (12/12/73)	65.86 (16/12/74)
39	Merchant Banks (19)	83.17	−1.7	—	7.52	—	—	84.61	85.97	86.58	86.94	97.56	94.97 (7/3)	31.21 (7/1)	278.57 (1/6/72)	31.21 (7/1/75)
40	Property (32)	198.86	−2.7	4.13	3.15	35.52	34.60	204.29	207.61	210.58	213.80	146.06	241.22 (22/4)	88.19 (7/1)	357.40 (3/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	69.40	−3.7	16.40	9.36	8.82	8.73	72.04	71.70	72.02	71.50	93.32	75.78 (23/4)	34.78 (10/1)	303.13 (16/6/73)	33.29 (17/12/74)
42	Investment Trusts (50)	168.10	−0.7	2.98	4.12	33.59	33.89	169.25	170.62	171.85	171.86	122.98	174.52 (20/5)	73.43 (6/1)	245.79 (25/4/72)	71.65 (13/12/74)
43	ALL-SHARE INDEX (650)	145.31	−0.8	—	5.71	—	—	146.46	148.27	150.50	149.95	117.54	152.07 (20/5)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	503.77	−2.7	10.30	6.47	11.50	11.00	517.64	518.46	522.42	525.43	401.41	525.43 (23/5)	281.66 (2/1)	555.37 (25/7/73)	84.68 (25/6/65)
45	Teas (10)	93.97	+4.3	20.49	8.51	6.21	5.74	90.10	90.28	90.28	90.28	106.00	93.97 (30/5)	76.76 (10/1)	121.47 (1/6/72)	59.72 (17/10/74)
46	Coppers (3)	462.90	—	42.42	16.31	2.36	2.36	462.90	464.66	467.74	461.49	388.50	467.74 (27/5)	374.38 (22/1)	567.78 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	141.54	+1.6	8.63	3.73	12.64	12.60	139.18	138.68	141.04	139.57	98.39	141.34 (30/5)	80.58 (22/1)	175.90 (26/4/69)	66.51 (30/9/74)
48	Tins (8)	112.46	+0.4	9.07	7.57	14.20	12.20	111.97	108.66	109.27	110.39	90.96	112.46 (30/5)	58.91 (8/1)	125.43 (12/1/73)	54.23 (27/5/71)
49	Overseas Traders (13)	241.08	−1.2	14.51	5.76	8.76	8.74	244.07	243.77	244.33	243.56	—	252.23 (20/5)	97.37 (6/1)	252.23 (20/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Friday, May 30 Index No.	Friday, May 30 Yield %	Thurs. May 29	Wed. May 28	Tues. May 27	Friday May 23	Thurs. May 22	Wed. May 21	Tuesday May 20	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.93	14.92	14.92	15.14	15.11	15.10	15.10	15.09	13.90	—	—	—	—
2	20-yr. Govt. Stocks (6)	47.10	‡13.74	47.25	47.60	46.95	46.89	46.91	47.03	47.05	51.93	53.09 (20/3)	38.27 (3/1)	115.42 (11/9/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	45.80	‡16.05	45.81	45.81	45.64	45.64	45.60	45.60	45.55	48.58	50.68 (21/3)	37.01 (3/1)	113.45 (25/10/63)	37.01 (3/1/75)
4	Investment Trusts Prefs. (15)	42.58	16.25	42.76	42.85	42.85	43.13	43.09	42.90	42.90	45.34	46.57 (25/3)	35.55 (3/1)	114.41 (13/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	59.09	15.93	59.20	59.35	59.25	59.35	59.07	58.45	58.05	59.56	66.98 (20/3)	48.35 (3/1)	114.95 (7/10/63)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	16/1/70	144.76	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	162.74	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20			

‡ Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 18p. Foreign 22p.

Option Report—3-month Call rates

OPTION DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
May 28	Jun. 9	Aug. 20	Sept. 2
Jun. 10	Jun. 23	Sept. 4	Sept. 16
Jun. 24	July 7	Sept. 18	Sept. 30

"Calls" were done in Courtaulds, MEPC, Ultramar, Amalgamated Investment Property, Coalite and Chemical, Grand Metropolitan, IC Holdings and Lucas Industries. No "puts" were reported, but "doubles" were arranged in Courtaulds, Ultramar and Amalgamated Investment Property

Industrials							
A. P. Cement	20	Grand Met.	9	Slater Walker	13	Mines	
Assoc Leisure	3	G.U.S. 'A'	20	Spillers	7	Anglo Amer.	60
Barclays Bank	35	Guardian	20	Tesco	6	Broken Hill Prp	75
Beecham	25	G.K.N.	25	Thorn 'A'	20	Cast	9
Boots Drug	24	Hawker Sidd.	30	Tube Invest.	30	Charter Cons.	22
Bowaters	20	House of Fraser	10	Unilever	40	Chart'rh'll Fin.	8
B.A.T.	35	Hudson (Wlims)	5	Utd. Drapery	12	Cons Gold	25
British Leyland	1¼	I.C.I.	24	Vickers	16	De Beers Def.	25
British Oxygen	6	"Imps"	7	Woolworths	6	F. S. Geduld	350
Burton 'A'	9	I.C.L.	7			Great Boulder	12
Cadburys	6	Inveresk	10	Property		Hampton Areas	15
Courtaulds	14	Legal & General	17	Cap. Counties	7	Hampton Prop.	4
Debenhams	11	Lloyds Bank	30	E.P.	11	Kloof	140
Distillers	15	"Lofs"	7	Int. Europe	7	Lonrho	19
Dunlop	6	"Mams"	9	Land Securities	22	Loraine	55
Eagle Star	16	Marks & Sp'ncer	25	Peachey	7	Metals Explor.	8
E.M.I.	20	Midland Bank	52	Town & City	6	Poseidon	55
First National	4	Nat'l West. Bank	30	Town & Comm.	7	Pres. Steyn	275
G.R.A. Trust	7	P & O Dfd.	16			Rio T. Zinc	20
Gen. Accident	16	Plessey	10	Oils		Welkom	55
Gen. Electric	14	R.H.M.	7	Brit. Petroleum	45	West Areas	75
Glaxo	40	Bank Org. 'A'	25	Burmah Oil	6	Western M'ng.	15
		Reed Int'l.	28	Shell	30	Zambia Copp	10
				Ultramar	21		

I.G. INDEX
GOLD 166-169

CORAL INDEX
Close 345-350

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	12	29	21
Corpns. Dom. and Foreign Bonds	4	7	69
Industrials	241	453	1,055
Financial and Prop.	80	203	334
Oils	9	6	17
Plantation	10	9	38
Mines	48	26	77
Recent Issues	8	17	30
Totals	412	781	1,624

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest %	Interest payable	Minimum sum £	Life of bond Year
Barking (01-592 4500)	11½	½-year	1,000	2-5
Broxb'rne (Waltham X 27933)	12	½-year	1,000	3-5
Burnley (0282 25011)	12	½-year	1,000	3-5
Dudley (0384 211595)	12½	½-year	1,000	3-4
Greenwich (01-854 8888)	12	½-year	500	3-5
Horsham (090 66 2233)	12½	½-year	2,000	3+
Liverpool (051 227 3911)	12	½-year	500	3-4
Liverpool (051 227 3911)	12½	½-year	500	5-7
Reading (0734 55911)	12½	½-year	500	2
Redbridge (01-478 3020)	12½	½-year	5,000	3-5
Sandwell (021 569 2226)	12	½-year	1,000	2-5
Suffolk Coastal (039 43 3789)	11½	½-year	500	1-5
Thurrock (0375 5122)	11½	½-year	300	1-2
West Yorks. (0924 75234)	12	½-year	1,000	3-4
Wrekin (0952 3571)	12½	½-year	2,000	3-5

U.K. CONVERTIBLE STOCKS 30/5/75

Statistics provided by **data STREAM International**

Name and description	Size (£m.)	Current price	Terms*	Con-version dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◇ Current
Acrow Engineers 8pc P. Cv. 92-02	7.38	50.00	●	77-87	15.8	16.0	95.9	88 to 120	16.4	44.4	109.6	+13.7
Alcan Aluminum 9pc Cv. 89-94	12.00	75.00	100.0	76-80	11.9	12.3						
Associated Paper 9½pc Cv. 85-90	1.40	75.00	200.0	76-85	13.3	14.1	33.9	9 to 34	42.3	52.0	17.4	−16.5
Bank of Ireland 10pc Cv. 91-96	10.25	143.00	23.8	77-90	7.1	5.9	22.6	11 to 37	44.9	62.0	14.7	− 7.9
BPB 7¾pc Cv. 89-94	5.00	75.00	62.0	72-80	10.5	11.1	23.4	12 to 35	22.4	27.5	8.5	−15.0
English Property 6½pc Cv. 98-03	19.98	179.00	234.0	76-80	3.7	2.2	− 9.5	−29 to −2	32.4	23.1	− 4.7	+ 4.8
Grand Metropolitan 10pc Cv. 91-96	121.90	83.50	120.2	73-78	12.2	12.4	13.0	6 to 22	15.7	20.8	7.0	− 6.0
Hanson Trust 6½pc Cv. 88-93	4.51	97.50	57.1	76-86	6.7	6.9	9.4	5 to 28	32.2	35.4	3.6	− 5.8
Lyons, J. 7½pc Cv. 1981	3.60	78.00	22.7	75-81	9.5	12.8	117.2	97 to 166	14.2	29.2	41.8	−75.4
Mercantile Credit 9pc Cv. 1980	12.68	75.00	138.0	76-80	12.3	16.9	158.8	62 to 159	0.0	30.0	103.4	−55.4
Scottish Automobile 10pc Cv. 85-90	2.00	55.00	166.0	75-83	18.2	19.1	18.3	− 5 to 38	41.5	50.7	19.8	+ 1.5
Tozer, Kemsley 8pc Cv. 1981	7.83	88.00	153.8	74-79	9.2	10.8	33.1	23 to 60	15.6	23.9	12.6	−20.5
Wilkinson Match 10pc Cv. 83-98	11.10	85.00	40.0	76-83	11.6	11.8	41.7	42 to 103	25.6	45.9	33.8	− 7.8

● 22 Ordinary "A" shares (non-voting) plus £30 unsecured loan stock.

* Number of Ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent. of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of Ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed pence, is summed from present time until income on Ordinary shares is greater than income on £100 nominal of convertible or the final conversion date, whichever is earlier. Income is assumed to grow at 5 per cent. per annum and is present valued at 15 per cent. per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 15 per cent. per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent. of the value of the underlying equity. ◇ The difference between the premium and income Difference expressed as per cent. of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
[illegible]	[illegible]	Savings 3pc 65-75‡‡	93½	.....	3.04	9.50
99⅔	94⅔	Elec 6½pc 1976‡‡	97⅝	.....	6.64	9.51
97¼	92¼	Treasury 6½pc 1976‡‡	96⅞	.....	6.72	9.29
99	97	Victory 4pc 1976‡‡	99	.....	4.03	—
102	[illegible]	Treasury 10½pc 1976‡‡	101 [illegible] xd	.....	10.37	9.65
95	88⅝	Treasury 6¼pc 1977‡‡	94⅜	+ [illegible]	6.62	9.74
91¼	85⅝	Electric 3pc 74-77	90⅞	+ [illegible]	3.30	8.60
103[illegible]	96⅞	Treasury 11½pc 77‡‡	102[illegible]	+ [illegible]	11.26	10.35
88[illegible]	86	Treasury 3pc 77‡‡	86[illegible] xd	+ [illegible]	3.45	9.10
88⅔	84⅔	Transport 4pc 72-77	87¼ xd	.....	4.56	9.52
96[illegible]	90½	Treasury 9pc 1978‡‡	95⅛	+ [illegible]	9.46	11.04
96[illegible]	92¾	Treasury 9pc 78 'A'‡‡	95⅛	+ [illegible]	9.46	11.06
100[illegible]	96⅝	Treasury 10½pc 78‡‡	98¼	+ [illegible]	10.70	11.21
87[illegible]	79	Exchequer 5pc 76-78‡‡	85⅜	.....	5.85	10.29
103	94[illegible]	Treasury 11½pc 79‡‡	100⅞	+ [illegible]	11.40	11.17
79⅝	71⅝	Treasury 3pc 79‡‡	77⅛	+ [illegible]	3.89	9.62
81	73⅞	Electric 4¼pc 74-79	79¼	+ ⅛	5.36	10.31
100[illegible]	96	Treasury 10½pc 79‡‡	97⅞	+ [illegible]	5.36	11.10
79⅝	71	Electric 3½pc 76-79	77¼	.....	4.53	9.93
95	84	Treasury 9pc 1980‡‡	92¾	+ ¼	9.70	10.97
		Five to Fifteen Years				
79	68¾	Treasury 3½pc 77-80	74⅞ xd	.....	4.66	9.92
81½	71	Funding 5¼pc 78-80‡‡	79¼ xd	.....	6.61	10.62
75½	56⅛	Treasury 3½pc 79-81	73	.....	4.86	10.07
92½	72⅝	Do 8½pc '80-82‡‡	89	.....	9.91	11.62
104⅔	86⅝	Treasury 12pc 1983‡‡	101⅛	.....	12.17	12.26
73	58	Funding 5½pc '82-84‡‡	73	.....	7.75	10.75
85¼	61⅜	Treasury 8½pc '84-86‡‡	81⅞	− ⅛	10.82	12.05
75¼	51⅝	Funding 6½pc '85-87‡‡	67	− ⅛	9.78	11.82
76¼	55	Treasury 7¾pc '85-88‡‡	71⅝	− ⅛	11.24	12.75
46⅛	32⅞	Transport 3pc '78-88	40⅝ xd	.....	7.34	12.13
59¼	39¾	Treasury 5pc '86-89	50⅛	− ⅛	10.11	12.75

Over Fifteen Years

[illegible]

Undated

[illegible]

**INTERNATIONAL BANK

[illegible]

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (MISCEL.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

S.E. List Premium [illegible] (based on $2.3110 per £)

CANADIANS

[illegible]

S.E. List Premium [illegible] (based on $2.3110 per £)

Conversion factor 0.5569 (0.5572)

††BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Cont.

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
13½	9	Jacks (Wm.)	10½	......	—	—	—	—
25	15½	James (John)	23	......	d3.4	1.1	14.0	8.3
32	20	James (M.) 10p	28	......	2.7	ϕ	14.0	ϕ
405	185	[illegible]	400m	......	Q$1.10	ϕ	1.5	ϕ
10½	3	Jentique 5p	7½	......	9.6	2.3	9.8	6.9
38	20	Johns'n & B. 12½p	34	......	d11.7	3.1	6.6	13.0
46	20	Johnson Clnrs.	40	......	8.7	1.6	8.4	11.2
317	120	Johnson Mth. £1	317	+3	17.6	4.5	5.2	6.2
41	18	Jourdan (T.)	33½	+½	7.6	3.6	5.7	4.9
27	14½	Kalamazoo 10p	25	−½	16.2	2.7	10.0	5.7
47	20	Kelsey Ind. 12½p	44	......	d19¾	4.3	9.9	3.7
17	9	Kennedy Sm. 10p	25	......	14.4	1.0	14.8	10.1
850	325	Kershaw (A.) 5p	830	......	240.1	0.7	2.2	13.4
190	65	Kleeman	180	......	15.6	4.1	3.3	11.3
39	15	Kode Int.	29	−1	4.9	ϕ	6.5	ϕ
59	24	L.C.P. Hldgs.	56	......	11.2	2.3	7.7	8.3
21	11	L.K. Ind. Inv.	20	......	d7.8	ϕ	15.9	ϕ
29	13½	L.R.C. Int. 10p	26	......	26.7	1.9	15.8	4.6
101	56	Lamson Inds.	83	−1	11	3.5	5.1	8.1
40	30	Lawtex	31	......	10.3	4.2	12.8	2.3
117	48	Lead Inds. 50p	113	−3	9.4	5.9	6.4	4.1
40	17	Le Bas (Ed.)	38	......	5.5	ϕ	5.6	4.0
40	15	Lebolf Fobel 10p	35	......	10.3	ϕ	4.6	ϕ
41	19	Lebus Harris	40	......	8	0.2	7.7	—
21	12	Leigh (L.) 5p	20	......	14.7	5.8	5.7	4.7
71	35	Leisure Car. 10p	70	......	44.2	ϕ	10.2	ϕ
155	59	Lep Group 10p	155	......	23.6	9.4	2.3	5.4
27	12	Lesney Prods. 5p	18xd	−1	15.5	7.0	6.8	2.8
43	13	Letraset 10p	33	......	12.3	6.8	5.7	3.1

INDUSTRIALS—Continued

††INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, etc.

OILS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
8	3	Burma Mine 17½p	8xd	......	m0.5	—	1.7
56	17	Charterhall 5p	52	−2½	—	—	—
115	75	Colby Mines $1	75¢	......	—	—	—
760	360	Cons. Murch. 10c	760	......	Q130c	2.2	11.0
53½	29½	Laurasia	37½	......	—	—	—
19	13	NRD $1	16	......	—	—	—
375	200	Northgate C$1	325	......	Q65c	1.0	6.6
211	60	R.T.Z.	193	+3	19.9	4.4	4.0
135	47½	Sabina Inds. C$1	112	−3	—	—	—
70	51	Stanford Mines 8	62	......	—	—	—
£12½	875	Tara Expln. $1	£11⅝	......	—	—	—
75	38	Yukon Cons. C$1	67	......	—	—	—

NOTES

Unless otherwise indicated, prices are in pence, denominations are 25p and dividends are in net percentage terms. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to corporation tax of 52 per cent. and ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or *deferred*.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance, reserve allocations may preclude calculation of dividend cover.
- ♯ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable
- ϕ Same interim; reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ▼ Excluding a final dividend declaration.
- ✦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending q Earnings based on preliminary figures. r Australian currency s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment.

A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1973-74. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution

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FINANCIAL TIMES

Saturday May 31 1975

MAN OF THE WEEK

A quieter approach is now in

BY JOHN ELLIOTT

OF ALL the people anxiously waiting this week-end for the railway unions' verdict on Monday on their 27.7 per cent. arbitration pay offer one of the most anxious must be the labour relations academic responsible for the award.

He is Dr. W. E. J. (Bill) McCarthy of Nuffield College, Oxford, a short, wiry 49-year-old who has risen in the labour academic stakes over the past ten years but who has rarely hit the national headlines. As a man called in by industries and Governments to help sort out the impasses into which employers and unions frequently enmesh themselves, he is one of a long line of distinguished judges and academics which includes such "big names" as Lord Cameron, Lord Devlin, Sir Jack Scamp and Professor Hugh Clegg.

Determined

A Londoner, McCarthy entered academic life late through Ruskin College in Oxford after a varied earlier career. Now he is a Fellow of Nuffield and of the Oxford Management Centre (where his constant dealings with employers helps to underline his impartiality despite the fact that he has for nearly ten years been chairman

of the Oxford Labour Party in which his wife is also active). He has been the chairman of the railway arbitrators for about 18 months and is also advising Mrs. Barbara Castle at the Department of Health on her labour relations problems. He is a member of the Houghton Committee on political parties' finance—his first appointment outside the labour relations sphere—and is close to several national union leaders.

Reputed by those who have worked in politics and labour relations with him as a determined operator, he first emerged as research director of the Donovan Royal Commission on trade unions some ten years ago shortly after writing the only major work on closed shops which invented the phrases "pre-entry" and "post-entry." With Clegg he strongly influenced the Commission away from proposing labour laws but then played a significant role in helping to devise Barbara Castle's ill-fated "In Place of Strife" strike laws when he became her advisor as the then DEP.

Strongly identified with the Labour cause, he fell from favour under the Conservatives (while his Oxford contemporary and fellow Castle advisor Derek Robinson became a Pay Board deputy chairman) and wrote a book with a colleague called Management by Agreement. This anticipated the current industrial democracy trend by proposing that collective bargaining should be extended as a method of joint management—union control of businesses.

Unlike some of his predecessors in the arbitration and conciliation field, McCarthy does not believe that hitting people over the head in public is the best way to engender labour reforms. This was a practice beloved of inquiries in the late 1960s.

Now a quieter approach is more fashionable and McCarthy reflects this when he says: "The only things I have regretted in my conciliation work are the times when I have chastised parties. You do it for the best of reasons but if you go back and talk to them later you find that all you did was to put their backs up, made a settlement more difficult, and pushed the parties further apart rather than drawing them together with an idea they can salute."

Hoping

From this viewpoint it is clear that McCarthy would normally regard an arbitrator's job as finding a wage settlement which is likely to gain acceptance. This week's finely pitched 27.7 per cent. finding—noticeably under the 30 per cent. public sector norm but well above British Rail's last offer—perhaps reflects the added problems an arbitrator faces in time of rapid inflation.

The "going rate" rose while McCarthy was preparing his report with two "side men" nominated by the parties. This week-end, as he tends his Oxford garden, he must be hoping that the National Union of Railwaymen will not make him go down in history as the man who shut the railways with his compromise formula.

President Ford with Mr. Harold Wilson and Mr. James Callaghan in Brussels yesterday.

Informal Nato summits may be annual event

BY MALCOLM RUTHERFORD

BRUSSELS, May 30.

NATO Heads of Government agreed in principle to-day to consider seriously a Canadian proposal to make the holding of summit meetings an annual event. The meetings would almost certainly not take place under the NATO auspices, and would discuss economic and political developments as well as defence.

According to one authoritative source, they would represent a combination of Nato and the OECD and perhaps the more recently formed International Energy Agency. All three organisations have held Ministerial meetings this week, culminating in the Nato summit here.

The only reason why the annual summit proposal by the Canadian Prime Minister, Mr. Pierre Trudeau, did not receive a more definite response was the special position of France. The French have withdrawn from the military organisation of Nato, and President Giscard d'Estaing has not taken part in formal alliance sessions in the past two days.

It would thus be difficult for France to give its blessing to regular summits directly under the Nato umbrella. However, the French position was made somewhat easier by a statement by Chancellor Schmidt of West Germany who said that the meetings could be "Gymnich-type occasions."

This is a reference to Schloss Gymnich, outside Bonn, where the Nine Common Market Foreign Ministers last year successfully initiated the process of informal political consultation which does not, directly, form part of any Community institution.

Mr. Trudeau's proposal apparently came as a surprise—almost, said one Nato Minister, "as an improvisation." But it was entirely compatible with the way recent Nato Ministerial sessions have concerned themselves more and more with economic, political and even social questions.

The other big subjects discussed in the past two days have been Portugal and relations between Greece and Turkey, mostly in a plethora of bilateral meetings. Some progress is generally held to have been made on both.

The Portuguese, led by Prime Minister General Vasco Goncalves, mounted something of a diplomatic offensive in support of the Armed Forces Movement and its proclaimed wish to stay within the Alliance and move towards a democratic system.

In a series of bilateral discussions, they were repeatedly grilled about their intentions—especially by Chancellor Schmidt in a private session this morning. Ministers now say that it is a question of whether the AFM has the will to put its good intentions into effect.

The first bilateral meeting is scheduled to-morrow between the Prime Ministers of Greece and Turkey, Mr. Karamanlis and Mr. Demirel respectively. Mr. Karamanlis said to-day that Greece would return to being a full member of the Alliance, if satisfactory progress was made towards the solution of Greco-Turkish disputes.

One other feature of the Summit has been the blooding of President Ford in Alliance politics. His speech yesterday, in which he reaffirmed the U.S. commitment to the alliance, was not new and contained nothing surprising. But it has been noticeable that he has been giving the impression of running U.S. foreign policy himself rather than just following Dr Kissinger, even though there are no apparent disagreements.

President Ford leaves early to-morrow for talks with General Franco in Spain.

Croda bid—shares probe sought

BY NICHOLAS LESLIE

MIDLAND-YORKSHIRE Holdings, the special chemicals and tar distilling group which has been strenuously resisting an £8.1m. bid from Croda International, the oleo-chemicals and foods group, is to press for a takeover panel inquiry into dealings of MYH shares in the closing hours of Croda's bid yesterday.

This was announced last night after Croda had announced that it had won control of 50.11 per cent. of MYH's votes and had declared its offers for MYH Ordinary and Preference shares unconditional.

Whether the Panel acts when the request is made—probably on Monday—remains to be seen. The Panel in the past has resisted requests for it to act as scrutineers in the counting of acceptances in bid situations, but to be asked to look into dealings after a bid has closed presents it with a new situation.

The MYH directors said in a statement that they "had reason at noon to-day to be aware that Croda had not then received sufficient acceptances to enable it to declare its offers unconditional. Accordingly, Midland-Yorkshire proposes to ask the City Takeover Panel to inquire into dealings in the shares in Midland-Yorkshire during the closing hours of the offer period." The directors advised shareholders "to take no action in relation to the offers, pending the outcome of the inquiry."

Rejected

Croda launched its bid on March 25, first having bought 32.6 per cent. of MYH's shares from the British Gas Corporation. The MYH Board rejected both the offer—360p a share cash, with a share exchange alternative—and the idea that there was any logic in putting the two companies together.

The Board was also strongly supported by the MYH employees, who formed a committee to fight Croda. The committee enlisted the support of local MPs to lobby the Government when it was decided that there should be no probe into the deal by the Monopolies Commission.

Mr. Don Wiltshire, chairman of the employees' committee, attacked Mr. Anthony Wedgwood Benn, Industry Secretary, by asking: "After all he has said about the disclosure of information to employees, how could Mr. Benn allow the British Gas Corporation—a nationalised concern—to sell its one-third share in Midland-Yorkshire without any consultation?"

Employment

Throughout all this, Croda has maintained that its offer price is fair and that a take-over would produce benefits for MYH and it has steadfastly denied that it would threaten employment at MYH.

In its announcement yesterday, Croda said that it had received acceptances in respect of 310,692 Ordinary MYH shares and 3,346 Preference shares, giving it—with shares already owned—50.11 per cent. of the votes. It did not buy any shares during the period of the offer, said the statement. The offer remains open for acceptance until June 13.

In front of Croda's announcement yesterday, MYH shares stood unchanged at 425p, while Croda were 1p up at 70p.

Offer will make Clive Discount independent

BY MARGARET REID

CLIVE DISCOUNT, the discount house taken over in 1972 by Sime Darby Holdings, the Eastern trading group, is to regain its independence through a public offer of its shares on terms valuing it at £6m., substantially less than its acquisition price three years ago.

The move has long been expected, and has certainly been encouraged by the Bank of England, which has been known for some time to feel it preferable that control of a concern operating in a field so central to the City as the discount market should reside in Britain.

Announcing the arrangement yesterday, the Board of Sime Darby, which through a subsidiary will retain a 14.9 per cent. stake in Clive, said the development was in accordance with the policy of concentrating the resources of its subsidiaries and associates in certain clearly defined activities.

Sime bought Clive Holdings for £23m. in August, 1972, at a time when share prices of both London discount houses and Eastern trading concerns stood high. The business then purchased included the money-broking side, now known as Butler Till, which Sime Darby is retaining. Butler Till is, however, considerably smaller than Clive Discount, now valued at £6m., so it is clear that Sime Darby has seen a substantial fall compared with the price at which it acquired Clive Holdings.

The offer for sale is of 10,637,500 shares in the renamed Clive Discount Holdings, representing just over 85 per cent. of the capital, at 48p each, to give a prospective dividend yield of 9.6 per cent. The offer is being made by Kleinwort Benson, who have succeeded N. M. Rothschild and Sons as Sime Darby's merchant banking advisers.

Underwriting of the offer which is to be advertised with full particulars on Monday, was completed yesterday. It is understood that there was a good response, with interest well spread among institutions, though some declined to participate. One suggested reason for this was that the application day will be June 5, referendum day.

Strike call at Nalgo

By Our Labour Staff

PLANS for strikes by council staff will be put before the annual conference of the National and Local Government Officers' Association on June 9, after the failure of pay talks yesterday to produce a "satisfactory" offer in reply to a 35 per cent. claim on behalf of the 400,000 staff.

But a Nalgo negotiator said last night that the talks had not broken down and would resume. The union leadership will therefore urge the conference not to vote for immediate action.

He would not disclose details of yesterday's talks and said that the union would not back moves by some branches, particularly in Wales, to take industrial action before the EEC referendum on Thursday.

GE loses Dowding bid

BY DAVID BELL

GENERAL ELECTRIC, the eighth largest company in the U.S., has failed in its attempt to win control of Dowding and Mills, the small Birmingham-based electrical repair company.

GE, which earlier this month extended its £5.1m. bid by two weeks, announced yesterday that it had received acceptances in respect of only 5.7 per cent. of Dowding's 13.8m. shares.

Dowding shares fell 3p to close at 35p on the news, compared with the 37p a share that GE offered when it made its bid in April.

Mr. Peter Hollings, managing director of Dowding, said he was "delighted" that GE's bid had failed.

"The shareholders have given their answer. We had lots of letters from Midland shareholders who said they were determined not to sell and we are very pleased that we are still an independent company."

A GE spokesman said last night that the company was "disappointed" at the outcome of its bid, but still had a high regard for Dowding and its management.

"It is not our policy to pay more than a company is worth for prestige or any other reasons. It was a fair price and we gave shareholders plenty of time to consider it."

GE had wanted Dowding as a base for its operations in the lucrative electrical repair business associated with the North Sea.

The American company still intends to open a base of some kind in Scotland and the GE spokesman said various alternatives were now being evaluated.

Weather

U.K. TO-DAY

BRIGHT SPELLS and showers. Cool.

London, S.E., Cent. S., and Cent. N. England, Midlands
Bright spells. Showers. Wind N., moderate. Max. 13C (55F).

E. Anglia, E. England
Some bright spells. Occasional showers. Wind N., moderate. Max. 10C (50F).

Channel Is., S.W. and N.W. England, Wales
Sunny spells, showers developing. Wind N., light. Max. 14C (57F).

Lakes, I. of Man, S.W. and N.W. Scotland, Glasgow, Argyll, N. Ireland
Sunny spells, scattered showers. Wind N., moderate. Max. 12C (54F).

N.E. England, Borders, Edinburgh, Dundee, Aberdeen, Cent. Highlands, Moray Firth, N.E. Scotland, Orkney, Shetland
Bright spells. Showers. Snow on hills. Wind N., fresh. Max. 8C (46F).

Outlook: Little change.

Lighting-up: London 21.36, Manchester 21.55, Glasgow 22.17, Belfast 22.17.

Long-range forecast Page 15

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexandria	S	26	79	Luxembg.	C	9	45
Amstrdm.	F	10	50	Madrid	C	20	[illegible]
Athens	F	25	77	Manchstr.	C	9	48
Bahrain	S	37	99	M'bourne	C	14	57
Barcelona	F	19	66	Milan	F	22	72
Beirut	S	25	77	Montreal	C	17	63
Belfast	D	[illegible]	[illegible]	Moscow	F	16	61
Belgrade	F	[illegible]	[illegible]	Munich	F	17	63
Berlin	S	13	55	Newcastle	C	8	46
Birmghm.	C	[illegible]	[illegible]	New York	C	21	70
Bristol	C	11	52	Oslo	F	10	50
Brussels	C	11	52	Paris	C	12	54
Budapest	F	20	68	Perth	S	17	63
B. Aires	C	[illegible]	[illegible]	Prague	C	12	54
Cairo	S	35	95	Reykjavik	S	9	48
Cardiff	C	11	52	Rio de J'o	S	24	75
Cologne	C	10	50	Rome	S	24	75
Copenhagen	F	11	52	Singapore	C	30	86
Dublin	C	9	48	Stockholm	T	[illegible]	[illegible]
Edinburgh	C	9	48	Strasb'rg	C	17	63
Frankfurt	R	9	48	Sydney	Sm	17	63
Geneva	F	15	59	Tehran	S	31	88
Glasgow	C	8	46	Tel Aviv	S	24	75
Helsinki	S	9	48	Tokyo	C	25	77
H. Kong	C	26	79	Toronto	C	18	64
Jo'burg	S	22	72	Vienna	R	18	64
Lisbon	F	19	66	Warsaw	F	20	68
London	C	19	66	Zurich	C	15	59

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	F	21	70	Jersey	C	13	55
Algiers	S	22	72	Las Palms.	C	21	70
Biarritz	S	20	68	Locarno	R	15	59
Blackpool	S	11	52	Luxor	S	41	106
Bordeaux	F	19	66	Majorca	S	21	70
Boulogne	C	[illegible]	[illegible]	Malaga	S	19	66
Casablanca	F	20	68	Malta	S	23	73
Cape Town	S	[illegible]	[illegible]	Nairobi	C	20	68
Corfu	C	24	75	Naples	S	[illegible]	[illegible]
Dubrovnik	F	22	72	Nassau	R	26	79
Faro	R	16	61	Nice	S	21	70
Florence	F	23	73	Oporto	C	15	59
Funchal	C	19	66	Rhodes	S	26	79
Gibraltar	S	21	70	Salzburg	C	16	61
Guernsey	C	13	55	Tangier	F	19	66
Innsbruck	C	17	63	Tenerife	C	18	64
Inverness	C	8	46	Tunis	C	23	73
I. of Man	C	8	46	Valencia	S	23	73
Istanbul	S	22	72	Venice	F	23	73

S—Sunny. F—Fair. C—Cloudy. R—Rain. D—Drizzle. T—Thunder. Sm—Smoke.

Continued from Page 1

Referendum campaign

the Prime Minister, the Chancellor and Mr. Jenkins.

During the last few days Mr. Benn has undoubtedly established himself as the leader of the Parliamentary Left of the Labour Party.

The Prime Minister has made several major contributions to the debate, siding more firmly than before with the pro-Marketeers. Some Labour MPs believe he has been forced into this position because of the pressure of his senior pro-Market Ministers, but others claim that Mr. Wilson had always intended to leave his intervention until the last days of the campaign.

● Press reports that Mr. Reg Prentice, the Right-wing Secretary for Education, intends to call for a coalition of all pro-European politicians after the referendum, in a speech in Leeds to-morrow, will ensure that his words will be closely studied not only by the Left-wing but by the Prime Minister.

Last night the signs were that Mr. Prentice intends to urge pro-Marketeers—Tories, Liberals and Labour—not to lose their spirit of unity but to concentrate after June 5 on solving Britain's critical economic problems, instead of scoring points off each other. He made a similar speech earlier this week.

THE LEX COLUMN

The tax threat to dividends

Index fell 3.4 to 345.1

"To the financial cloud-cuckoo land in which we are living we have, we think, introduced an element of realism in terms both of the shareholders' short and longer term interests."

This was how Coats Patons described its decision on Thursday to omit its final dividend, but something has gone wrong with its logic. By passing the payment, Coats has saved £2½m. of Advanced Corporation Tax—but as a result its market capitalisation has dropped by £22m. It has also incensed some influential shareholders, who will be holding a meeting with the company and its brokers next week.

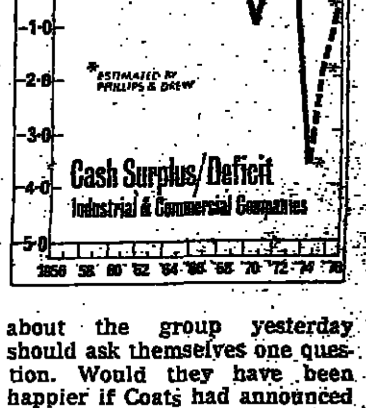
Coats' arguments are worth repeating, for they raise a number of issues affecting the whole corporate sector. In brief, they are that inflation has been a major drain on the company's cash flow, and that the present corporation tax system makes retentions worth a lot more to it than to most of its shareholders. The after tax return on capital employed last year was 8.7 per cent.: because of the ACT problem, £100 in its hands becomes £65 in the hands of the standard rate tax payer, who has to find an investment yielding about 13½ per cent. after tax in order to produce a similar actual return.

But Coats is by no means a unique situation. Industrial and commercial companies had a net cash deficit of £3.6bn. in 1974, and there is likely to be another, smaller, deficit this year. Moreover large initial allowances coupled with the Chancellor's concession on stock appreciation have meant that an increasing number of companies have no mainstream U.K. tax liabilities. Over two-fifths of the major companies analysed by brokers Phillips and Drew will only be paying ACT this year.

Imputation tax was designed to give profits equal value whether retained by the company or distributed to shareholders who pay the standard rate of income tax. But the system as it now stands positively discriminates against dividend distribution.

However, the grim example of Coats' share price will be enough to deter other companies from following a similar course. The group has plainly underestimated the importance of dividends to a good number of its shareholders, and not just the gross funds for whom the ACT argument is irrelevant since they can claim back the tax anyway. Coats has usually sported an above-average dividend yield and has been bought for its regular flow of high income by funds and individuals who are just not interested in Coats' cool Scottish logic.

But those institutions which were saying such unkind things



about the group yesterday should ask themselves one question. Would they have been happier if Coats had announced a £7m. rights issue, handed £4½m. back in the shape of a final dividend and given the rest over to Mr. Healey as irrecoverable ACT? This is in effect precisely what a number of other groups have done in the recent past—and that really is cloud-cuckoo land.

Charterhouse

Charterhouse has dropped from £3.3m. to £1.5m. pre-tax in the first half of 1974-75, and the explanations are substantial losses in construction components and a sharp setback on the venture capital side. Charcon's losses, which include £450,000 of redundancy and relocation expenses plus stock write-downs, have cut manufacturing profits by £720,000 before interest despite a marked improvement in the other operations. But the company is scheduled to make profits over the rest of the year, and with disposals coming through in venture capital, current half profits for the ... may be broadly in line ... 1973-74. That would leave ... overall decline from £7.2m ... under £6m., but ought ... threaten the dividend yie... nearly 11 per cent.

At the same time ... borrowings are moving ... with the help of tight con... on stocks. But with over £... of working capital on the ... dustrial side, overall cash ... running at not much more th... £3m., and an uninspiring ret... on capital employed, the ... of a group which sees itsel... a "business developer" ... plainly open to question. Ch... terhouse says that it may ... less concerned with hold... 100 per cent. of its indust... subsidiaries in the future: m... while the shares have un... performed the market over ... past year, leaving a capital... tion of £29m. at 43p.

Arthur Bell

Following hard on Distille... successful £22m. U.S. ... European loan raising exerci... Arthur Bell has come to ... U.K. market with an equ... loan package amounting ... £5.3m. A £1.9m. rights is... offers an ex-rights divide... yield of 9 per cent. but ... remainder is in the form o... debenture placing, the first ... over two years, car... inevitably a record coupon— ... yield at £98½ is 16½ per ce... The recent firming of gilts a... the obvious difficulty in gaugi... the potential market for debe... tures has led to an expensi... looking differential over co... parable long-dated stocks, b... Arthur Bell has clear views ... inflationary trends.

The need for money ... obvious: in its chase for volu... growth since the offer for s... in 1971 the group has spe... £19.6m. on fixed and worki... capital (over half of this ... 1974) compared with net ca... flows of £6m. The averag... return on capital in 1974 w... 13.4 per cent., and, despit... recent price rises worth up t... £2m. gross it is hard to see ... pre-tax dilution per share o... much less than a fifth in th... current year, while despite thi... package, a further cash shor... fall cannot be ruled out thi... year. A weak market recentl... the shares finished 7p lowe... at 98p where the market capita... isation is £10.3m.

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